



ACT
Government



Annual Report 2020-2021

Transport Canberra and City Services
Directorate



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Acknowledgement of Country

We wish to acknowledge the Traditional Owners of these lands and waters that we live and thrive on today. We pay our respect to the Ngunnawal and surrounding nations, and extend that respect to all Elders past, present and emerging for they hold the memories, the traditions, the cultures, and the hopes of all Aboriginal and Torres Strait Islander peoples across the nation. Through contributions of Aboriginal and Torres Strait Islander peoples, we have gained a better understanding and respect for their cultures which enrich our appreciation of Australia's cultural heritage that leads to reconciliation. This is essential to Australia's maturity as a nation, and fundamental to the development of Australia's united identity.

We also wish to acknowledge that this nation is and will always be Aboriginal and Torres Strait Islander land, recognising their living cultures, their strength, their resilience and their continued nurturing of these lands and waters for many thousands of years.

Accessibility

Transport Canberra and City Services is committed to making its information accessible to as many people as possible. This report is available as a printed document, an accessible PDF and in HTML on our website at https://www.cityservices.act.gov.au/about-us/annual_report. If you have difficulty reading a standard print document and need alternative formats, if you are blind, deaf or hearing impaired, or if English is not your first language; you can get help from the following services:

Canberra Blind Society: **T** (02) 6247 4580

National Relay Service: **T** 13 36 77

Translating and Interpreting Service: **T** 13 14 50

Further Information

For further information regarding the Transport Canberra and City Services Directorate Annual Report 2020-21 please contact the Governance and Ministerial Services Branch on (02) 6205 5187 or TCCS.GBSGovernance@act.gov.au.

Publication No. 210618

ISBN: 978 0 642 60729 4

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COMPLIANCE STATEMENT

The Transport Canberra and City Services Directorate (TCCS) Annual Report must comply with the 2021 Annual Report Directions (the Directions). The Directions can be found on the [Annual Reports \(Government Agencies\) Directions 2021](#).

The Compliance Statement indicates the subsections, under the five Parts of the Directions, which are applicable to TCCS, and the location of information that satisfies these requirements.

Part 1 - Directions Overview

The requirements under Part 1 of the Directions relate to the purpose, timing and distribution, and record keeping of Annual Reports. The TCCS Annual Report complies with all subsections of Part 1.

To meet Section 15 Feedback, Part 1 of the Directions, contact details for TCCS are provided on [page 2](#) of this Annual Report to give readers the opportunity to provide feedback.

Part 2 - Agency Annual Report Requirements

The requirements within Part 2 of the Directions are mandatory for all Directorates and TCCS complies with all subsections. The information that satisfies the requirements of Part 2 is found in the TCCS Annual Report as follows:

- > Section A - Transmittal Certificate, see [page 11](#);
- > Section B - Organisational Overview and Performance, inclusive of all subsections, see from [page 14](#); and
- > Section C - Financial Management, inclusive of all subsections, see from [page 318](#).

Part 3 - Reporting by Exception

In 2020-21, TCCS had no information to report by exception under Part 3 of the Directions.

Part 4 - Agency Specific Annual Report Requirements

There is one agency specific Annual Report requirement applicable to TCCS.

- > Part 4 – Public Land Management Plans, see [page 283](#).

Part 5 - Whole of Government Annual Reporting

All subsections of Part 5 of the Directions apply to TCCS. Consistent with the Directions, the information satisfying these requirements is reported in the one place for all ACT Public Sector (ACTPS) Directorates, as follows:

- > Bushfire Risk Management, see the [JACS Annual Report](#);
- > Human Rights, see the [JACS Annual Report](#);
- > Public Sector Standards and Workforce Profile, see the annual State of the Service Report; and
- > Territory Records see the [CMTEDD Annual Report](#)

ACT Public Service Directorate Annual Reports are found at the following web address: https://www.cmtedd.act.gov.au/open_government/report/annual_reports

FOREWORD

I am pleased to present the Transport Canberra and City Services Directorate 2020-21 Annual Report. The Report outlines how our staff continue to deliver services that make Canberra an attractive, safe, and easy place to move around. In delivering these services, I would like to thank our Ministers, Mr Chris Steel MLA, Minister for Transport and City Services and Ms Yvette Berry MLA, Minister for Sport and Recreation for their ongoing support in 2020-21.

I particularly want to thank our staff and welcome the Road Safety and Transport Regulation team who joined the directorate from the Justice and Community Safety Directorate in late 2020. In the past year I have visited many parts of the directorate and seen for myself examples of great adaptability, commitment, and resilience among our staff. I am very proud of the way everyone has continued to deliver key services that Canberrans depend upon in what continues to be very challenging times.

The work of our infrastructure planning and delivery teams increased significantly during the year with a 32% increase in projects under the capital works program. Increased infrastructure investment has been critical to our city's economy by helping to protect local jobs, stimulate the economy and build and rejuvenate infrastructure that supports local businesses and the community.

2020-21 has seen some notable achievements for our ACT NoWaste team. This has included implementation of the first tranche of a single use plastic ban on items such as plastic cutlery and polystyrene takeaway containers. The bulky waste collection service was also expanded to Gungahlin, Tuggeranong and Belconnen during the year and work has continued to deliver major upgrades at the Hume Materials Recovery Facility as part of our response to the COAG waste export ban.

This year has also seen the culmination of some important strategic transport work. The ACT Transport Strategy sets out how we will achieve a world class transport system that supports the community to move around our growing city. We also released the Zero-Emission Transition Plan for Transport Canberra, detailing the pathway needed to achieve a zero-emissions bus fleet by 2040. The year has also seen commencement of the popular e-scooter scheme with approximately 4,000 trips recorded each day.

Our Business Services area has had another busy year. This has included implementation of the annual dog registration scheme that will make it easier to return lost dogs to their owners. The



Alison Playford, Director-General of Transport Canberra and City Services

year also marked the release of the ACT Urban Forest Strategy 2021-45 and Yarralumla Nursery producing the first of 54,000 trees to be planted by 2023-24. Our network of public libraries has also responded to changing demand by enhancing digital resources available to the community through its website.

Our frontline staff have continued to work hard to deliver services that keep Canberra an attractive, safe, and clean city. This has included an ongoing response to the COVID-19 pandemic with targeted cleaning of high use public areas such as our bus interchanges, playgrounds, and neighbourhood shopping precincts.

I was particularly encouraged to see the enthusiastic participation of staff from across the directorate in the development of our new Strategic Plan 2021-24. The plan will reflect the feedback we receive from staff and set out our vision, key objectives, and goals for serving the Canberra community with quality services and infrastructure over the next three years.

I look forward to working with directorate staff and the wider Canberra community to build on our work and help maintain Canberra as a great place to live, work and visit.

Alison Playford
Director-General



Part 2A

TRANSMITTAL CERTIFICATE

TRANSMITTAL CERTIFICATE



ACT
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Transport Canberra
and City Services

Mr Chris Steel MLA
Minister for Transport and City Services
ACT Legislative Assembly
London Circuit
CANBERRA CITY ACT 2601

Dear Minister

2020-21 Transport Canberra and City Services Annual Report

This report has been prepared in accordance with section 6 of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the *Annual Reports (Government Agencies) Directions 2021*.

I certify that the information in the attached report and information provided for Whole of Government reporting is an honest and accurate account and that all material information on the operations of Transport Canberra and City Services has been included for the period 1 July 2020 to 30 June 2021.

I hereby certify that fraud and prevention has been managed in accordance with Part 2.3 of the *Public Sector Management Standards 2006*.

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the report to the Legislative Assembly within 15 weeks after the end of the reporting year. However, under section 14, the Chief Minister has granted an extension of the time when the report must be presented by you to the Legislative Assembly. The Chief Minister has granted the extension to 02 December 2021.

The annual report must be provided to the Speaker on 02 December 2021 for distribution to each Member of the Legislative Assembly. The annual report must then be tabled in the Legislative Assembly on the next sitting day.

Yours sincerely

Alison Playford
Director-General
19 November 2021



Part 2B

ORGANISATIONAL OVERVIEW AND ANALYSIS

ORGANISATIONAL OVERVIEW

Our Vision

Our vision captures the core purpose of delivering city and transport services with a focus on innovation, safety, and customer service. This has been captured with the following vision statement:

‘Making Canberra attractive, safe and easy to move around.’

Our Mission

The TCCS mission is to deliver:

‘Connected services for the people of Canberra.’

Our Role, Functions and Services

TCCS assists Canberrans to move around the city and provides high-quality city services to the community. Services delivery is citizen-focused, with a goal of improving the liveability of our city through the provision of core services and an integrated transport network, ensuring Canberra remains a great place to live, work and relax.

The directorate delivers services to create an attractive cityscape and amenities, an effective and safe road network, an integrated public transport system, along with other city services which are necessary to support a growing community as well as attract tourism and business investment to the region. TCCS is responsible for the planning, building, and maintenance of many of the ACT Government’s infrastructure assets such as roads, bridges, cycling, and community paths, and the streetlight network. It also plays an important role in managing the city’s open space, parks, neighbourhood play areas and playground equipment, sportsgrounds, recreational facilities, and local shops. The range of community services delivered by TCCS also includes libraries, waste and recycling services, safer walking and cycling around schools and city amenity.

TCCS strives to improve public transport outcomes, providing a convenient, efficient, affordable, sustainable, and reliable integrated light rail and bus network.

Capital Linen Service, ACT NoWaste, Domestic Animal Services, Yarralumla Nursery and Birrigai are managed by TCCS. The directorate also has administrative oversight responsibility for the Cemeteries and Crematoria Authority, which operates the Woden, Gungahlin and Hall cemeteries.

Our Values

TCCS has adopted and promotes the ACT Public Service (ACTPS) values and signature behaviours of respect, innovation, integrity, and collaboration. TCCS has also adopted safety and excellence as additional values and behaviours that staff identified as reflecting the organisation TCCS wants to be. Each of our values plays an important role in making TCCS a great place to work.

Our Clients and Stakeholders

Establishing and maintaining relationships with a wide range of stakeholders is essential to realising the TCCS mission. Our stakeholders include:

- > ACT residents and visitors;
- > ACT Legislative Assembly and members;
- > ACT and Commonwealth Government agencies;
- > ACT businesses, community organisations, peak representative groups, professional bodies, and unions; and
- > suppliers and contractors.

Organisational Structure

TCCS Executive Board is the executive body that sets the organisation’s strategic direction and makes decisions to ensure the directorate’s strategic risks are identified and actions are put in place to ensure we have capacity to address Government priorities. The Board has a cross-Directorate focus that encompasses planning, strategy, risk, change and resources.

Figure 1. Transport Canberra and City Services organisational chart as at 30 June 2021



Transport Canberra and City Services Directorate

As of 30 June 2021, the Senior Executive team is as follows:

Director-General – Alison Playford

The Director-General is responsible for leadership, management, strategic direction, efficient and effective financial management and good governance for the whole directorate.

The Director-General also provides advice and reporting to the Ministers about the directorate's activity. As a member of the ACTPS Strategic Board, the Director-General provides Whole of Government leadership for the ACTPS and is responsible for the implementation of Whole of Government initiatives on the directorate's behalf.

Transport Canberra and Business Services Division

Acting Deputy Director-General – Ben McHugh

The Deputy Director-General, Transport Canberra and Business Services, is responsible for the delivery of essential services to the Canberra community. These include Transport Canberra, Libraries ACT, Canberra Cemeteries, Domestic Animal Services, Capital Linen Service, Yarralumla Nursery and Birrigai. The Strategic Policy and Customer branch is also included within this portfolio and comprises teams focused on policy and legislative solutions, strategic transport policy, customer experience, road safety and the Active Travel Office.

City Services Division

Deputy Director-General – Jim Corrigan

The Deputy Director-General, City Services, is responsible for the management and delivery of new urban infrastructure, maintenance of roads, stormwater, public open spaces, and city places. The role also manages urban rangers, infrastructure planning and development coordination. The Deputy Director-General is also responsible for waste and recycling services, waste policy, and regulation.

Chief Operating Officer Group

Chief Operating Officer – Cherie Hughes

The Chief Operating Officer (COO) is responsible for the delivery of corporate services across the directorate including good governance, effective people and financial management, workplace safety, legal and procurement services, technology and data, and corporate communication. As a member of Whole of Government and inter-directorate forums, the COO contributes to strategic Government policy and is responsible for delivering Whole of Government initiatives within TCCS.

Executive Remuneration

The ACT Remuneration Tribunal is an independent statutory body with responsibility for setting the remuneration, allowances, and entitlements for public officials in the ACT including the ACT Government. Further information can be found at the [ACT Remuneration Tribunal](#).

Governance

TCCS delivers a diverse range of services spanning policy, planning, and operational functions across the organisation. In undertaking these business activities, the directorate employs best practice governance principles to demonstrate transparency and accountability to our customers and staff, and to manage strategic and operational risks.

The directorate has an established governance framework that streamlines governance processes, ensuring that TCCS makes informed, transparent, and accountable decisions with a customer focus. Our Governance Manual provides staff with a resource to adopt strong governance principles, providing information on the TCCS governance structure and staff rights and obligations.

Governance arrangements for the Directorate are overseen by the Executive Board and relevant Board sub-committees (see [Internal Accountability](#) under [Part 2B](#) of this report). This includes oversight and strategic direction of the Directorate's assurance program and strategic risk management.

In 2020-21 several projects were undertaken to improve governance across the Directorate. These included:

- > an extensive audit and compliance program, effective risk management, improved records management, and robust corporate policies;

- > managing a staff engagement process to develop the TCCS Strategic Plan 2021-24 and supporting the Executive Leadership Team to develop the plan;
- > working with the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) towards the development of a delegation tracking system (iDelegate) as part of a Whole of Government compliance project, which will assist TCCS delegation holders to be aware of and access their delegated responsibilities;
- > commencing work to embed the ACT Government's new Wellbeing Framework within TCCS, including forming a working group and developing materials to support implementation of the framework;
- > working with teams across the directorate to embed a strong risk management culture by implementing risk management software and developing a risk framework;
- > supporting the Internal Audit Committee to assure the Executive that the Directorate is meeting its obligations and is compliant with the Internal Audit Framework;
- > implementing a Quality Management culture across the directorate to support TCCS delivering its many services efficiently, effectively, and safely;
- > commenced review of the records management program, policy, and procedures and completing the sentencing of over 500 archive boxes of records; and
- > supporting the upgrading of the Electronic Document and Records Management System (EDRMS) used by the directorate (Objective) and increasing the number of staff using the system to over 1,000, including the provision of training and technical support.

In focus: The ACT Assistance Animal Accreditation Framework (the Framework)

The Framework was launched on 1 July 2020 following targeted consultation with industry representatives. The framework promotes rights of access for people with a disability who rely on an assistance animal and provides further protections under the *Domestic Animals Act 2000*, including fines for businesses refusing access to an accredited assistance animal.

The new framework provides for a more streamlined approach to the animal trainer and assessor registration by reducing the administrative and financial burden users of assistance animals may experience in having their assistance animals trained and tested. Community education and awareness is also a focus of the framework, with the aim of promoting the public's understanding of the diverse range of assistance animals in our community.

The framework facilitates a consistent national approach, being similar to schemes previously established in other jurisdictions. This has made it easier for people with assistance animals accredited in other jurisdictions to be recognised in the ACT.

Policy and Legislative Solutions

The Policy and Legislative Solutions Team has led a program of work to improve outcomes for Canberrans.

In 2020-21 the team:

- > progressed work on the Domestic Animals (Annual Dog Registration) Legislation Amendment Bill 2021 giving effect to an annual dog registration system to be launched on 1 July 2021;
- > progressed work on the Urban Forest Strategy 2021-2045 which was released on 30 March 2021;
- > progressed work on the Plastic Reduction Bill 2021 which is aimed at prohibiting the supply of identified items to reduce the use of plastics in the ACT; and
- > established the Litter (Amenity Impact) Code of Practice 2020 in September 2020, establishing a step-by-step approach for managing amenity impacts caused by hoarding and linking closely with support services.

Priorities for 2021-22

- > Progress work in relation to the review of the *Tree Protection Act 2005*.
- > Continuing work to review the *Public Unleased Land Act 2013*.
- > Develop amendments to the *Domestic Animals Act 2000* to reflect the ACT Cat Plan 2021-2031, including introducing annual cat registration.
- > Commence a pet business licensing scheme to commence under the *Animal Welfare Act 1992*.



Planning Framework

Strategic Planning

In August 2020 an updated 2020-21 TCCS Strategic Plan (the Plan), covering the period 2020-21, was released with an undertaking to develop a new longer-term Strategic Plan during 2021. The Plan informs the work of TCCS from high-level policy development, to day-to-day operational tasks, and directly influences business planning and individual employee performance plans. In January 2021, a collaborative process commenced with staff to develop a new Strategic Plan setting out the directorate's long-term vision, mission, and objectives.

In May 2021, over 600 staff participated in staff engagement sessions to contribute to the development of the new Strategic Plan. Staff throughout the directorate embraced the process enthusiastically and provided useful feedback. Staff feedback was used to inform the new [TCCS Strategic Plan for 2021-24](#) content, helping to shape the directorate's future direction.

The Strategic Plan 2021-24 is being developed in line with key government commitments such as the [ACT Wellbeing Framework](#), the [Canberra Statement of Ambition](#), and [ACT Climate Change Strategy](#) ensuring the directorate's strategic direction is consistent with the Government's vision and priorities. Performance against the plan will be measured in line with the [ACT Performance and Accountability Framework](#), considering the following measures:

- > strategic objectives;
- > strategic goals; and
- > strategic measures

The new TCCS Strategic Plan for 2021-24 will be launched in the first quarter of 2021-22.

Performance Framework

TCCS actively participates in the [ACTPS Performance Framework](#) which sets out the objectives for performance management and development of ACTPS employees. TCCS is committed to providing regular and effective performance feedback to employees, to identify development needs and opportunities in line with broader business objectives. The Director-General is responsible for ensuring all employees have a performance plan in place that is linked to the achievements of their business unit goals and TCCS objectives, and for these plans to be reviewed bi-annually. For executives, these agreements are formalised through their executive contracts.

Aboriginal and Torres Strait Islander Reporting

The ACT Government's commitment to reconciliation is outlined in the [Aboriginal and Torres Strait Islander Agreement 2019-28](#). The Agreement sets out a long-term direction for Aboriginal and Torres Strait Islander affairs in the ACT and commits signatories to work together to enable equitable outcomes for ACT Aboriginal and Torres Strait Islander people.

The Agreement includes four core focus areas of Children and Young People; Cultural Integrity; Inclusive Community; and Community Leadership. There are an additional six significant focus areas of Connecting the Community; Lifelong Learning; Economic Participation; Health and Wellbeing; Housing; and Justice.

The directorate has undertaken various actions to develop positive relationships with the local Aboriginal and Torres Strait Islander community. This includes improving employment opportunities and the retention of Aboriginal and Torres Strait Islander staff. In 2020-21, the directorate worked to focus on realising the direct impact of our activities with the local Aboriginal and Torres Strait Islander community. This has included:

- > recruiting a Cultural Coordinator through the Jobs for Canberrans initiative, to support the implementation of the guidelines and initiate the development of a Cultural Integrity Framework to build a culturally aware and capable workforce;
- > introducing an anonymous reporting mechanism capturing incidents of race-based harassment; and
- > delivered six Ngunnawal Language training sessions through Thunderstone Cultural Services enabling the Acknowledgement of Country to be routinely delivered in Ngunnawal language.

TCCS Reconciliation Action Plan

To support the [Aboriginal and Torres Strait Islander Agreement 2019-28](#), TCCS focused on the deliverables of our [Reconciliation Action Plan 2019-2022](#) (Stretch RAP).

The Stretch RAP outlines practical and measurable actions to develop positive relationships with Canberra's Aboriginal and Torres Strait Islander community and to our employment and retention of Aboriginal and Torres Strait Islander peoples. Specific initiatives over the life of the Stretch RAP include:

- > establishing a minimum of five two-way partnerships across TCCS with Indigenous businesses and communities; and
- > complying with the ACT Whole of Government Aboriginal and Torres Strait Islander Procurement Policy 2019 by reviewing annually our progress against its key measures, setting target obligations, and identifying improvements and new opportunities for the directorate's policy commitments.

Under the RAP, business units were asked to consider including a cloth patch with either the Aboriginal and Torres Strait Islander flags or Aboriginal and Torres Strait Islander art when transitioning to new uniforms. Created by local Indigenous artist Lynnice Letty Keen, the City Presentation team procured new uniforms featuring Indigenous artwork named 'Relationships'. With a co-design approach, City Presentation formed a committee and invited Lynnice to share the meaning of her art. With support from all staff for the initiative, 350 employees were issued with uniforms featuring the artwork.

Work to develop a Cultural Integrity Framework has continued throughout the 2020-2021 year through a co-design engagement approach. This Framework will assist staff in considering how best to include engagement with the Aboriginal and Torres Strait Islander community as part of business-as-usual activities. This will be achieved, in part, through increasing cultural awareness and understanding by:

- > learning about Aboriginal and Torres Strait Islander peoples and their cultures;

- > understanding how culture influences the way Aboriginal and Torres Strait Islander peoples live their lives;
- > understanding how culture influences the way Aboriginal and Torres Strait Islander peoples interact with non-Indigenous people and the wider community; and
- > the development and delivery of Cultural Competency training.

Progress against RAP actions in 2020-21:

- > Total number of deliverables – 110
- > Number of completed deliverables – 73
- > Number of deliverables in progress – 30
- > Number of deliverables to commence in 2021-22 – 7

RAP priorities for 2021-22:

- > Finalise and launch the inaugural TCCS Cultural Integrity Framework and associated action plan.
- > Implement a range of employment strategies increasing the attraction and proportion of staff identifying as Aboriginal or Torres Strait Islander in senior officer roles.
- > Commence a review, consultation, and development of the next RAP, covering the period 2022-2025.
- > Continue to work with the ACT Public Service Systemic Racism Inter-Directorate Committee and raise awareness through communication campaigns and observe zero tolerance to racism.



'Relationships' artwork by local Ngunnawal, Wiradjuri and Kamilaroi artist Lynnice Letty Keen.

TCCS diversity employment strategies for Aboriginal Torres Strait Islander People

TCCS continues to implement a range of diversity and inclusion employment strategies to reach targets set by the Head of Service for the employment of Aboriginal and Torres Strait Islander people.

These strategies have included the delivery of a 'Best Practice Recruitment and Selection' eLearning module, including a section on addressing unconscious bias. The module is a pre-requisite for attending a one-day face-to-face recruitment training course. In 2020-21, 185 staff took part in both the e-learning and face-to-face modules.

During 2020-21, two TCCS employees, Jonathon Corby, proud Wiradjuri man and a Supervisor in City Services, and Kerriann Ryan, a proud Kamilori woman and a Diversity and Inclusion Officer participated in the Professionals Foundation Program. This 10-month Program helps participants explore and understand their roles as public servants, developing a range of skills and incorporating a coaching and mentoring program.

The *TCCS Indigenous Peer to Peer Network* continued to grow in 2020-21 with 13 members of the network and nine engagements across the directorate carried out during the year.

Eight *Cultural Awareness Training* sessions were held during 2020-21, with 102 participants taking part. Other activities undertaken included three *On-Country programs* with a total of 48 participants and six Ngunnawal Language Courses with 49 participants taking part.

As of June 2021, the number of employees self-identifying as Aboriginal and Torres Strait Islander was 66 (2.8%), exceeding the target of 58 (2.5%).

Aboriginal and Torres Strait Islander Community Bus Service

The [Aboriginal and Torres Strait Islander community bus service](#) provides transport to those in the community who are unable to access standard transport services. The service enables Aboriginal and Torres Strait Islander elders' groups, juvenile, and justice support groups, family groups, and individuals to access medical appointments, significant cultural events such as funerals, and social and sporting events.

In focus: Reconciliation Week "More Than a Word, Reconciliation Takes Action"

This year TCCS collaborated with the Environment, Planning, Sustainability and Development Directorate to host a range of activities in recognition of Reconciliation Week. The week commenced with a performance from the Wiradjuri Echoes Group in the Foyer of 480 Northbourne Avenue. This event engaged both staff and community members in an experience of Aboriginal culture through dance and music.

The building filled with the sounds of the didgeridoo, calling approximately 150 building occupants to watch from the foyer and line the balconies. The Wiradjuri Echoes performance was culturally engaging - acknowledging the past, present, and future in their dance. Staff feedback indicated this was a well-received and engaging means of promoting awareness of the traditional owners of our land and their cultural practices. The event and performance supported the theme of Reconciliation Week and started conversations about culture, tradition, and customs.

As part of Reconciliation Week, TCCS also held a presentation and yarning session with guests from the ACT Human Rights Commission, a Local Ngunnawal Elder and Reconciliation Action Plan Co-chair. Topics discussed included reflections on progress with reconciliation and the personal experiences of panel members. Panel members were engaging and shared their reconciliation journeys, providing an accessible and well received presentation.



Wiradjuri artist Kristie Peters stands beside her Aboriginal contemporary artwork 'Platypus Story'.

The program uses two mini-buses with one bus being wheelchair accessible. A community bus coordinator is available during office hours to assist with bookings, driving duties, and vehicle servicing. A self-drive option is also available, both during and outside normal business hours, providing access to the vehicles for volunteers wanting to transport groups to sporting or cultural events. The community bus service provided 3,434 passenger movements in 2020-2021.

Aboriginal and Torres Strait Islander community engagement programs and activities

During 2020-21, Libraries ACT provided a range of online and face-to-face activities and services to engage with and celebrate Aboriginal and Torres Strait Islander culture.

- > ***Giggle and Wiggle Story Time*** and ***Story Times*** programs, featuring publications by Aboriginal and Torres Strait Islander authors and illustrators and presented by Ngannawal and Wiradjuri storytellers.
- > An online ***Read Local*** program featuring local author and Wiradjuri woman Dr. Jeanine Leane, discussing her work, the power of poetry and indigenous languages, and her work towards reclaiming the Wiradjuri language.
- > Partnering with West Belconnen Child and Community Centre, Uniting Kippax, Capital Region Services, and YMCA Holt to deliver a ***Story Walk*** for Reconciliation Tracks as part of National Reconciliation Week 2021. The Story Walk featured the story ***Say Yes***, by author Jennifer Castles and illustrator Paul Seden; and
- > The ACT Heritage Library collected 10 digital stories by local Aboriginal and Torres Strait Islander people as part of an exhibition called ***The Art of the Story Circle: Ten Years Collaborating with Communities to Create Personal Stories***.

Libraries ACT employs an Aboriginal and Torres Strait Islander Coordinator to work with the community and connect them to ACT library services. This includes regular outreach visits with community groups and facilitated yarning circles for men at the Alexander Maconochie Centre. A Family Literacy Coordinator provides a weekly story time and literacy enrichment session at the West Belconnen Child and Family Centre Koori Playgroup. Twenty Aboriginal and Torres Strait Islander Smith Family 'Let's Read' packs have been provided to families in the playgroup.

Internal Accountability

Refer to [page 14-15](#) for the TCCS organisational chart and the responsibilities of the TCCS Senior Executive Team.

Significant TCCS Committees for 2020-21

TCCS has a range of internal boards and committees responsible for the directorate's strategic direction and governance:

Table 1: Significant TCCS committees for 2020-21.

| Name of Committee | Role of Committee |
|---|---|
| TCCS Executive Board | The Executive Board is the directorate's principal decision-making forum. The Board has a cross-directorate focus that encompasses planning, strategy, risk, change, and resources. |
| Audit Committee | The Committee provides independent assurance to the Director-General that the directorate is meeting its obligations under section 31 of the <i>Financial Management Act 1996</i> . Refer to Part 2B – Internal Audit for more information. |
| Work Health and Safety Steering Committee | The Committee discusses WHS issues and initiatives at a Directorate level and meets quarterly. Refer to part 2B – Work Health and Safety for more information. |
| TCCS Consultative Committee | The Committee is a forum for consultation between TCCS employees and unions and meets quarterly. |
| TCCS Finance Committee | The Committee provides leadership and direction in the directorate's financial strategy and financial management, meeting monthly. |

Highlights for 2020-21

TCCS had many significant achievements throughout 2020-21. This has included an ongoing response across the directorate to circumstances presented by the COVID-19 pandemic including the need to deliver COVID safe services to keep both employees and the wider community safe. The year has also seen the directorate delivering a substantial capital works program, building local infrastructure to enable economic recovery and protect local jobs.

During 2020-21 the directorate made significant achievements across its core business areas working towards better transport, strengthening our services, and building a sustainable future.

Better Transport to keep Canberra moving as we grow

- > Launched the [ACT Transport Strategy](#) outlining a vision for a world-class transport system.
- > Released the [ACT Transport Recovery Plan](#) to help guide work to return public transport patronage to pre-pandemic levels.
- > Introduced an updated public transport network delivering an additional 692 weekday bus services.
- > Started earlier light rail services on a Sunday with services commencing at 7am.
- > Maintained high levels of customer satisfaction with 96% of light rail passengers saying they would recommend light rail use to family and friends.
- > Expanded micro-mobility transport options to include 1,500 e-scooters and 200 bikes.
- > Operated the Aboriginal and Torres Strait Islander Community Bus Service providing 3,434 passenger movements.



- > Undertook a range of focused road safety campaigns to reduce accidents on the road network.
- > Continued to deliver improvements to the active travel network with new path connections, priority crossings, and wayfinding signage.

Strengthening services for our city and suburbs

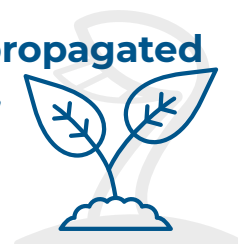
- > Progressed 249 capital works projects to build local infrastructure, enable economic recovery and protect local jobs.
- > Repaired over 6,375 potholes and undertook approximately 11,760 m² of hot asphalt patching works.
- > Completed infrastructure improvements to make it safer for school children to walk and ride to school.
- > Loaned over 1.29 million physical items and 775,000 eResources through Libraries ACT.
- > Delivered a green waste collection service to over 91,000 households.
- > Undertook a range of education and engagement programs to reduce household waste and increase recycling.
- > Increased the mowing schedule by 43%, mowing over 42,000 hectares of public land.

42,075 hectares of public land was **mown**



- > Upgraded 17 sports pavilions pursuant to [Female Friendly Guidelines](#).
- > Responded to over 4,000 complaints relating to dumping, abandoned cars, overhanging foliage, and unauthorised public land use.
- > Laundered and delivered over 13 million items of linen through Capital Linen Services.
- > Commenced a new compulsory [Annual Dog Registration Scheme](#) to better manage the return of lost dogs to owners.
- > Carried out 512 safety inspections to playground equipment.
- > Propagated over 262,000 trees, shrubs, and groundcover at Yarralumla Nursery for use in government, commercial and domestic landscaping.

Yarralumla Nursery propagated over **262,000 trees, shrubs and groundcovers**

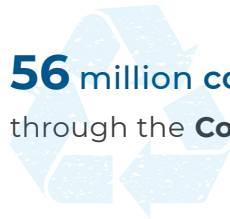


Protecting our environment and leading transition to a zero-emissions future

- > Implemented the first tranche of a single-use plastics ban with single-use plastic cutlery, single-use plastic stirrers, and expanded polystyrene food and beverage serving containers banned under the [Plastic Reduction Act 2021](#).
- > Released the [Urban Forest Strategy 2021-2045](#) to protect, maintain and enhance the urban forest, working towards a 30 per cent tree canopy cover by 2045.
- > Launched the [Zero-Emission Transition Plan for Transport Canberra](#) to transition the bus fleet to modern battery electric vehicles using 100 per cent renewable electricity by 2040.
- > Introduced 2-year free registration for zero-emission vehicles registered for the first time.
- > Commenced a 12 month trial of an electric tipper truck in the TCCS heavy vehicle fleet and expanded electric charging facilities at TCCS depots in Reid and Curtin.

- > Recycled 56 million containers through the network of Container Deposit Scheme collection points, and opened the 22nd collection point for the Territory in Belconnen.

56 million containers were **recycled** through the **Container Deposit Scheme**



- > Expanded the bulky waste collection service to cover Gungahlin, Tuggeranong and Belconnen.
- > Rehabilitated the Northbourne Avenue road surface using over 6,000 tonnes of recycled materials.



Our 2021-22 Priorities

TCCS priorities are focused on the themes of better transport; strengthening our services; and building a sustainable future.

Better Transport to keep Canberra Moving as We Grow

- > Finalise work on the selection of a replacement ticketing and real-time passenger information system.
- > Develop decision-making tools and guidance to facilitate the [ACT Transport Strategy's](#) realisation.
- > Establish an Accessibility Reference Group to ensure the public transport system is accessible to women, people with disabilities, and vulnerable groups.
- > Commence light rail services from the new light rail stop at Sandford Street in Mitchell.
- > Expand programs to support more active travel options to meet transport needs.
- > Develop a new Customer Strategy for public transport to better understand and provide the best public transport solutions for the community.
- > Prepare a Disruption Plan to reduce congestion levels during preparation works and construction of Light Rail stage 2A.
- > Investigate emerging technologies to achieve improved road safety benefits.

Strengthening Services for our City and Suburbs

- > Continue to deliver the Capital Works Program using transparent tendering to achieve value for money.
- > Deliver the first Surface Street Art Festival.

- > Undertake an urban forest audit to guide future tree maintenance and planting.
- > Progress work in reforming the *Tree Protection Act 2005* to better protect Canberra's urban forest.
- > Identify further scope for Aboriginal and Torres Strait Islander participation in playspace design and landscaping.
- > Transition municipal road and path condition inspections to vehicle collected data to improve data collection efficiency and quality.
- > Enable delivery of the [ACT Cat Plan 2021-2031](#) through the roll-out of legislation to enable Cat Registration and Cat Containment to all Canberra suburbs.
- > Commence a new Pet Business Licensing Scheme.
- > Commence usage of new technology and community spaces at the redeveloped Woden library.
- > Continue to program facility upgrades making sporting pavilions female-friendly to encourage women and girls participation in organised sport.

Protecting our Environment and Leading Transition to a Zero-Emissions Future

- > Implement the second tranche of the single-use plastics ban under the [Plastic Reduction Act 2021](#).
- > Continue work to plant 54,000 trees by 2024, consistent with the [Urban Forest Strategy 2021-2045](#).
- > Commence the procurement and introduction of new buses to replace the diesel fleet pursuant to the [Zero-Emission Transition Plan for Transport Canberra](#).
- > Initiate a pilot Food Organics and Garden Organics Waste collection service in Belconnen.
- > Complete major upgrade works to the Hume Materials Recovery facility.



PERFORMANCE ANALYSIS

A customer perspective

The directorate is committed to improving the customer experience, strengthening community engagement, and improving liveability and social inclusion through the delivery of high-quality services. TCCS strives to achieve high customer satisfaction, positive resident perceptions, and increase community awareness of our services and responsibilities.

Transport Strategic Objective 1

Improve customer experience with public transport and drive an increase in patronage.

The directorate has a strategic objective of improving the customer experience of public transport and attracting new customers through high-quality, friendly, and reliable services. The directorate will pursue targeted investment and business reform to improve the business' overall performance.

Strategic Indicator 1.1: Customer satisfaction

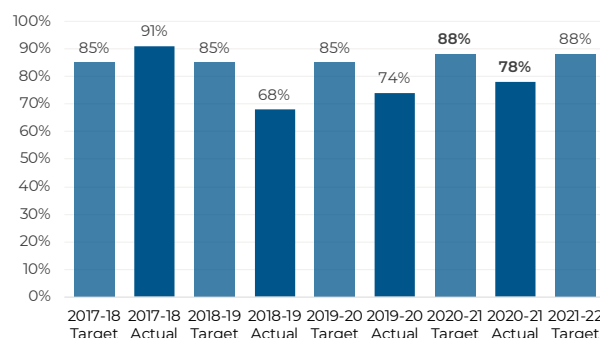
TCCS has a strategic objective to create a customer-centric culture that allows it to become a leader in customer service by rewarding and encouraging positive customer-orientated behaviour. This is achieved through:

- > delivering customer service training for frontline staff;
- > developing and implementing a rewards and recognition program for strong performers; and
- > establishing customer experience KPIs for introduction across all levels of Transport Canberra.

The directorate has extended its five-year target set in the 2016-17 Budget to measure customer satisfaction with the Transport Canberra bus network to reach an 88 per cent satisfaction rate by an additional year to 2021-22.

2020-2021 saw an increase in the level of customer satisfaction following additional network improvements. A campaign to promote these improvements with the public was expected to increase satisfaction further. However, this was put on hold in early 2020 due to the COVID-19 pandemic.

Figure 2. Customer satisfaction with Transport Canberra services

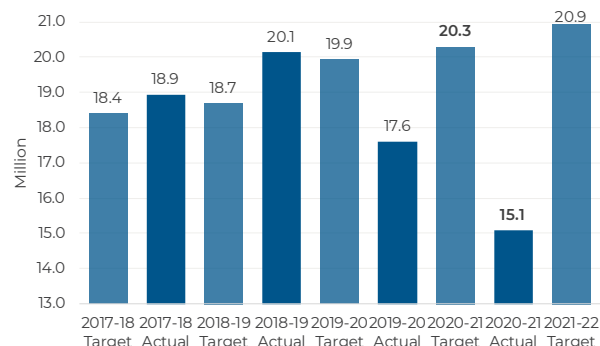


Strategic Indicator 1.2: Patronage

TCCS has an objective to increase patronage of public transport. This will be achieved as part of delivering the [Transport for Canberra – Transport for a sustainable city 2012-2031](#). To support this patronage growth objective, the directorate has a target of continuing to increase public transport patronage.

The reduction in patronage during 2020-21 can be attributed to the COVID-19 pandemic. Transport Canberra encouraged the community to restrict its use public transport to essential travel at different periods to reduce the risk of COVID transmission and comply with ACT Health restrictions.

Figure 3. Public transport patronage



Strategic Indicator 1.3: Service reliability

TCCS has an objective to deliver a reliable public transport network. Public transport customers place high importance on the reliability of public transport services. Customers need to be able to rely on services arriving on time. This is a key element of supporting customer satisfaction and providing a service that users of public transport will recommend to non-users.

Service reliability is measured through two accountability indicators:

1. Services operated to completion – a measure of whether the public transport arrives and completes its scheduled service.
2. [On-time running](#) – a measure of whether the public transport leaves between one minute early and four minutes late from the scheduled timetable.

During 2020-21, Transport Canberra delivered 98.8 per cent of its services to completion, a small increase in performance on the previous year. Transport Canberra is working to adjust network connections to further improve service completion rates.

On-time running measured 77.5 per cent in 2020-21, an increase of 4.5 per cent on 2019-20. Run time adjustments will continue to be made where possible to assist reaching the 85 per cent target.

Figure 4. Bus services operated to completion.

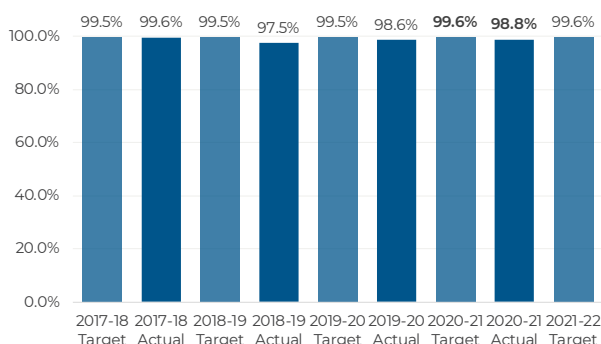
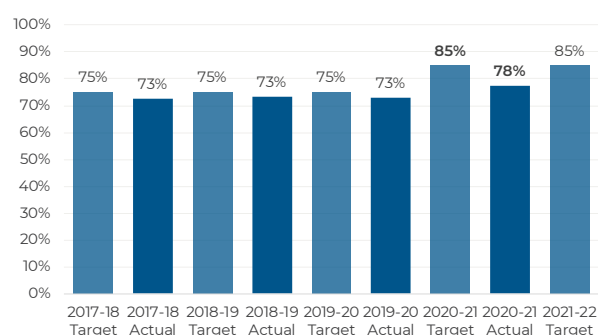


Figure 5. Bus on-time running performance.



Strategic Indicator 1.4: Provide high-quality services to meet social needs

TCCS aims to deliver a high-quality public transport network that meets the needs of disadvantaged members of our community. To do so, TCCS provides transport services such as Special Needs Transport and the Flexibus initiative. The directorate also continues to update its bus fleet to provide access to passengers with a disability. Other areas of focus include customer satisfaction with services.

The Flexible Transport Office manages specialised transport services including the operation of Special Needs Transport, the Aboriginal and Torres Strait Islander Community Bus and the Flexible Bus Service.

The Special Needs Transport network provides transport to and from ACT public schools for 356 students with disabilities and 13 Introductory English Class students using 42 buses and 15 taxis each school day. The service delivers students to 36 specialist and mainstream schools in Canberra.

The Flexible Bus Service, using the Special Needs Transport fleet in the middle of the day, provided 12,926 passenger movements in 2020-21.

The Aboriginal and Torres Strait Islander Community Bus provided 3434 passengers with trips to local appointments, meetings, and social gatherings in 2020-21. Transport Canberra also provide a self-driven minibus for the Aboriginal and Torres Strait Islander community to travel locally and interstate to attend sporting events, community events and funerals. In 2020-21, 37 trips were undertaken to various events.

12,926 passengers used the **Flexible Bus Service** and **3434 passengers** took the **Aboriginal and Torres Strait Islander Community Bus**.



City Services Strategic Objective 1

Deliver high-quality city services.

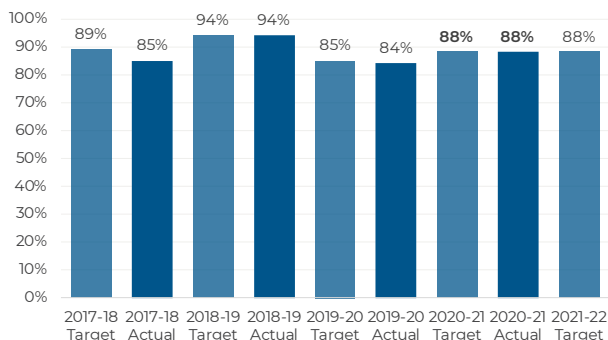
TCCS has a strategic objective of ensuring city services are consistently of a high-quality, timely, effective, cost-efficient, and meet the community's needs. TCCS is committed to ensuring the city is well maintained, its assets protected and that community members have the opportunity to participate in decision-making processes.

Strategic Indicator 1.5: Customer satisfaction continues to demonstrate improvement

Overall customer satisfaction with the directorate's city services is measured through a customer satisfaction survey related to the directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic signals, lighting and street signs), waste collection, parks, and open spaces.

Customer satisfaction improved from 84 per cent in 2019-20 to 88 per cent in 2020-21. This indicated that the provision of city services is satisfactory to a wide range of the community.

Figure 6. Customer satisfaction with city services.



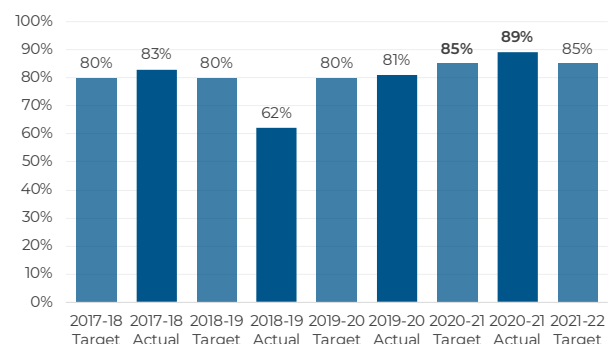
Strategic Indicator 1.6: Satisfaction with community engagement continues to demonstrate improvement

The directorate undertakes a wide range of community engagement activities including letterbox drops, public meetings, community pop-up sessions, forums, online and hardcopy surveys, the ACT Government's YourSay platform, telephone surveys, discussion groups, stakeholder meetings, as well as utilising local and social media.

This indicator is measured through the annual TCCS satisfaction survey.

During 2020-21, customer satisfaction with TCCS services achieved the target of 89 per cent, an increase of 8 per cent on the satisfaction rate achieved in 2019-20.

Figure 7. Customer satisfaction with community engagement.



Transport Strategic Objective 2

Improve the efficiency of public transport.

TCCS has a strategic objective to improve the efficiency of public transport to ensure the community receives value from the investment required to run bus and light rail services.

This has two key elements:

- > improving the efficiency of bus operations; and
- > generating revenue through well-targeted fare structures and increasing public transport patronage.

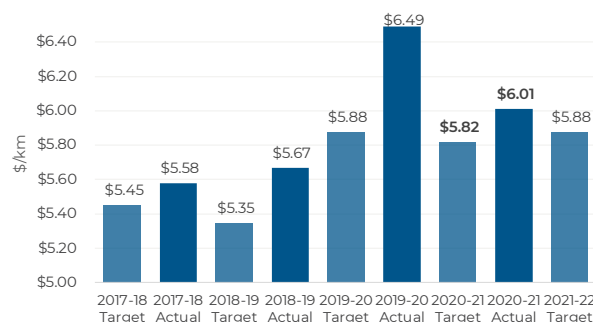
Strategic Indicator 2.1: Operating efficiency

TCCS has an objective to provide a bus service that operates efficiently. The key accountability indicator for this is the bus network operating cost per network kilometre.

The directorate has a long-term goal of reducing operating costs per network kilometer annually by one per cent from the 2019-20 target levels. This is an improvement in the operating efficiency of more than one per cent after considering CPI growth.

The operating efficiency result for 2020-21 was \$6.01 per network km, higher than the target of \$5.82. Increased costs were incurred in the provision of measures to manage the impact of COVID-19, including additional vehicle cleaning costs.

Figure 8. Public transport operating costs per network kilometer.



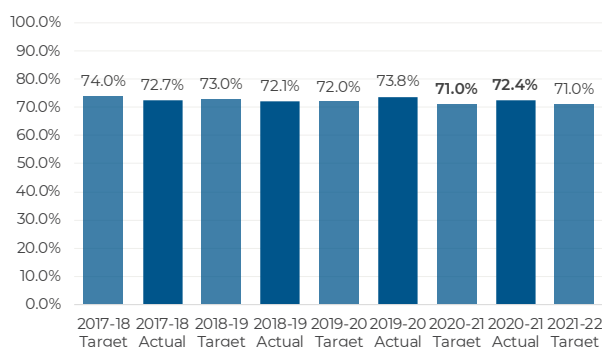
Strategic Indicator 2.2: Business performance

TCCS has an objective to improve business performance, which is a comparison between the amount of revenue generated by the business and the cost of running the business. The directorate will introduce a long-term business strategy for public transport that will progress organisational reform and provide a pathway for further service improvement.

The strategic indicator for business performance is the Government subsidy per passenger boarding, a measure capturing the overall financial performance of public transport.

The result of 72.4 per cent for 2020-21 reflects a COVID-19 related decline in fare revenue whilst at the same time continuing to operate a full service throughout 2020-21.

Figure 9. Government subsidy per passenger boarding.



City Services Strategic Objective 2

Improved delivery of city services.

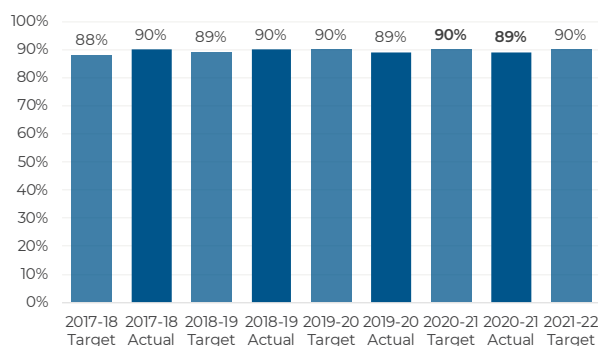
Strategic Indicator 2.3: Per centage of territorial roads in good condition

TCCS has an objective to keep the majority of territorial roads in good condition.

The roads maintenance program is guided by a Strategic Asset Management Plan which enables a long-term view of asset management. This indicator is measured using an industry-standard survey assessing one-third of the territorial road network annually.

In 2020-21 the directorate achieved 89 per cent of roads in good condition against a target of 90 per cent.

Figure 12. Percentage of territorial roads in good condition.



Transport Strategic Objective 3

Drive innovation and a sense of excitement about public transport.

The directorate is committed to running an effective public transport network. The directorate will take advantage of emerging trends in technology to deliver an exciting integrated public transport system.

An integrated public transport system is a key objective for the Territory. Delivery of Stage 1 light rail in 2018-19 was an important milestone for the Territory, bringing with it a fully integrated public transport network. The directorate will continue work to procure a modern ticketing system across buses and light rail.

The use of public transport provides significant environmental benefits. The directorate continues to support the built and natural environment through two key deliverables over the coming years: powering light rail with 100 per cent renewable electricity, and further pursuit of alternative fuel buses.

Public transport continues to play an important role in assisting disadvantaged members of the community through the provision of an integrated transport network, flexible bus service, and a range of other accessible travel options. The directorate will work to ensure its transport services are effective and well-targeted.

Strategic Indicator 3.1: Deliver light rail and integrate light rail with buses

TCCS delivered an integrated public transport system including buses and light rail in 2018-19.

Strategic Indicator 3.2: Reduce public transport related greenhouse gas emissions

Public transport plays an important role in helping meet the ACT's legislated greenhouse gas emissions targets.

Light rail efficiently moves large numbers of commuters along the Gungahlin to City corridor. In line with the Government's target of 100 per cent renewable electricity by 2020, light rail is powered by 100 per cent renewable electricity.

In September 2020, the ACT Government released the [Zero-Emission Transition Plan for Transport Canberra](#). The Plan outlines the pathway to achieve the ACT Government's ambition of a zero-emission public transport system by 2040. With this Plan Transport Canberra is taking nation-leading action to transition the Canberra bus fleet to zero emissions, including the provision of infrastructure, investment and skills needed to make the transition operationally successful. Transport Canberra has progressed implementation of the Plan including an approach to market for the first 90 zero emission battery electric buses.

City Services Strategic Objective 3

A reduction in waste to landfill.

TCCS is committed to ensuring Canberra becomes a fully sustainable city and region, and that future development is environmentally sensitive, both in maintaining and protecting natural assets and responding to the challenges posed by climate change. A reduction in the amount of waste going to landfill is one of the strategic progress indicators towards achieving this objective.

Strategic Indicator 3.3: Reduction in waste to landfill as a proportion of the total waste stream

The resource recovery rate is the rate at which waste is diverted from landfill for an alternative purpose. The rate is calculated using the reporting regime

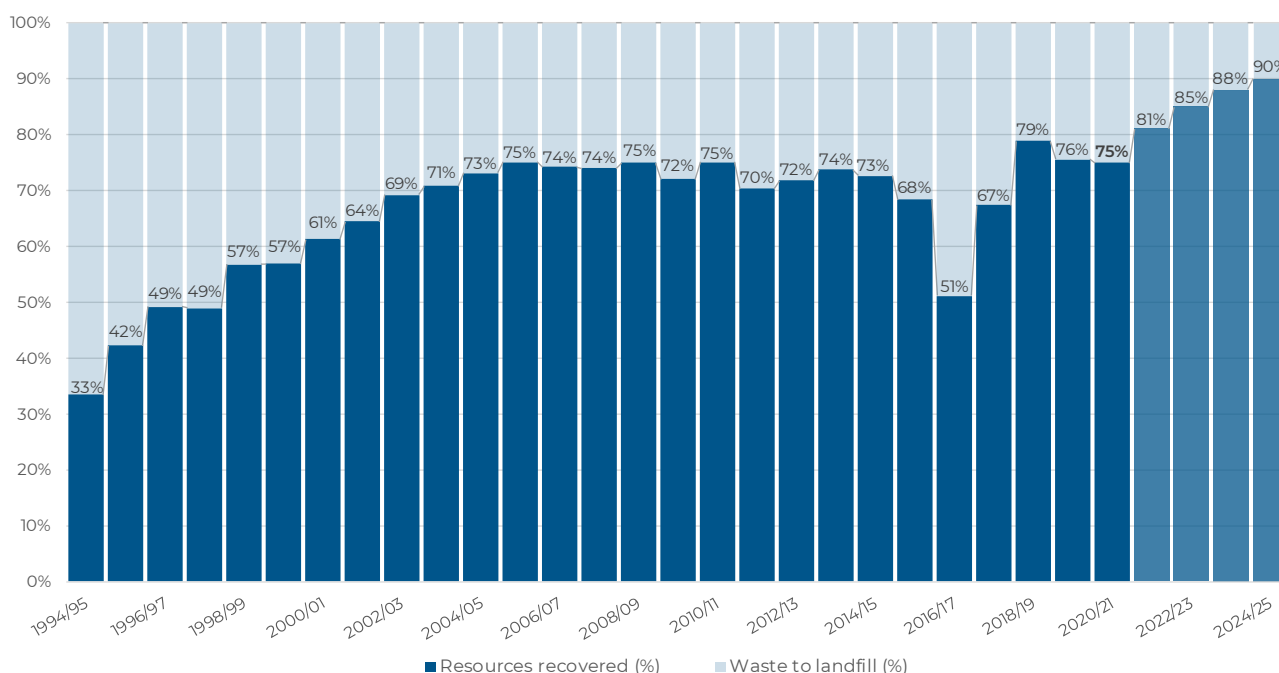
required under the [Waste Management and Resource Recovery Act 2016 \(the Act\)](#). The waste to landfill result is calculated from landfill weighbridge data records and the reporting regime required under the Act. The projections do not include the potential impact of increased tonnage going to landfill as a result of the Mr Fluffy asbestos demolition program.

While the resource recovery rate declined from 76% in 2019-20 to 75% in 2020-21, the result is in line with the longer-term trend.

Due to the COVID-19 lockdown and restrictions, there was a higher proportion of waste to landfill this year (10% higher compared to the trendline). This is due to higher presentation rates for domestic kerbside collections as well as higher presentation of residential waste loads at the transfer stations and landfill.

Construction and demolition work, which typically has high waste recovery rates, was also slower in the region, which impacted overall figures.

Figure 10. Proportion of resources recovered compared to waste sent to landfill.



Strategic Objective 4

Safe Community – Road Safety

The safety of ACT road users is supported by the [ACT Road Safety Strategy 2020-2025](#) and the [ACT Road Safety Action Plan 2020-2023](#).

Strategic Indicator 4.1: Promotion of Road Safety

An indicator of the effectiveness of enforcement, regulation, and education to support road safety

outcomes is the annual number of road fatalities per 100,000 population. This measure is used nationally to monitor and compare road safety performance between jurisdictions. In 2020-21, the ACT continued to maintain a lower number of road fatalities per capita than the national average with 2.55 fatalities per 100,000 population compared with 4.44 road fatalities per 100,000 people nationally (source: *Bureau of Infrastructure, Transport and Regional Economic, Road Deaths Australia*).

The ACT continues to record the lowest annual road fatalities per 100,000 population among all

Australian jurisdictions. However, ACT vehicle fatalities recorded in NSW statistics indicate that the effects of road trauma on the ACT community are not solely confined to ACT roads. The ACT Government

works closely with NSW on targeted efforts to increase road safety on roads that cross the border, such as the Kings Highway Road Safety Partnership.

Figure 11. Annual number of road fatalities per 100,000 of population.



Output Class 1: Transport Canberra

Transport Canberra is responsible for the operation of an integrated public transport network, administration of the Government subsidy paid to Transport Canberra buses, as well as strategic oversight of the public transport network and asset management.

During 2020-21, Transport Canberra delivered an integrated public transport approach to COVID-19 across the bus and light rail network. Measures introduced included cashless travel to provide safe travel for customers. The [ACT Transport Recovery Plan](#) has also been released to help guide important work that will return public transport patronage to its pre-pandemic levels and keep patronage growing into the future.

Transport Canberra has also provided direct assistance in response to the pandemic. This has included:

- > meeting repatriation flight passengers at Canberra Airport and taking them to quarantine locations;
- > providing a free shuttle bus service from the Canberra Airport Terminal bus stop to the mass vaccination clinic in Pialligo; and
- > an on-request community bus service to enable Aboriginal and Torres Strait Islander community members to attend vaccine appointments.

In July 2020 an update to the public transport network commenced. The update delivered an additional 692 bus services each weekday providing more frequent, direct routes across the network. Increased off-peak frequency also enabled customers to spread out their travel to avoid peak travel times and enable greater physical distancing. Increased frequency to morning peak light rail services also commenced with services every 5 minutes and earlier Sunday services from 7am.

Light Rail customer satisfaction continues to be very high. The March 2021 Customer Satisfaction Survey showed that 96 per cent of passengers would recommend the light rail to their friends or family. The survey also found that 70 per cent of light rail passengers were more likely to use public transport now that light rail is in operation.

Transport Canberra has progressed a replacement Ticketing and Real-Time Passenger Information system. A market-sounding exercise was completed in 2020-21 providing confidence that the market can provide a mix of ticketing solutions to provide for flexible payment options and a real-time app for customers to track their journey. A procurement process will commence in 2021 with an expectation that MyWay and Nxtbus will be replaced by a new Next Generation Ticketing system in 2023.

Priorities for 2021-22

- > Progress the Zero Emissions Transition Plan project, including delivery of the first battery electric buses and gradual replacement of diesel and gas buses.
- > Implementing a comprehensive Disruption Plan to provide customer options during the disruption caused by the raising of London Circuit and construction of light rail stage 2A.
- > Complete the next-generation ticketing system's procurement and implementation.
- > Develop a new Customer Strategy for public transport to increase the focus on understanding and providing the best public transport solutions for the community.
- > Commence a forum to address the needs of people with accessibility requirements through an Accessibility Reference Group, to include people with disabilities, seniors, and women's groups to ensure that services are accessible, including the new ticketing system and flexible on-demand transport.

In focus: Zero Emissions Transition Plan

The Zero Emission Transition Plan for Transport Canberra outlines the pathway to achieve the ACT Government's ambition of a zero-emission public transport system by 2040. Public transport is responsible for over 50 per cent of total ACT Government emissions. The Plan responds to the emissions targets set out in the ACT Climate Change Strategy to achieve zero government emissions by 2040 with an interim target of a 33 per cent reduction by 2025. Transitioning the Transport Canberra fleet away from non-renewable fuels is vital in achieving these targets.

The development of a Zero-Emission Transition Plan for Transport Canberra is critical to achieving the vision of a safe, reliable, and attractive public transport system and meeting these targets.

The Plan follows considerable collaboration between industry experts, academics, political influencers, and consultancy experts and was finalised in September 2020. Whilst the overall plan's objective was clear, defining the strategies and processes to deliver such a complex project required a thorough understanding and exploration of diverse themes. These included:

- > completing a baseline assessment of the bus network and operations, policy, strategy, and regulation; and
- > an analysis of the current and emerging technology needed to achieve zero-emissions in buses.

Central to the Plan is the Zero-Emission Transition Roadmap comprising five strategic priorities that will drive forward the journey to zero-emissions. These priorities are:

- > building the infrastructure needed to convert depots to zero-emissions;
- > procuring new zero-emission buses;
- > partnering with the energy sector;
- > developing new skills, protecting jobs, and growing the economy; and
- > increasing public transport use through better buses and a better service.

Transport Canberra is currently on a pathway to purchase 90 new battery electric buses, with market soundings now complete. The next stage will be to commence construction of a new bus depot at Woden with the capacity to house the first 40 battery electric buses and commence early discussions with Evoenergy on power supply. Training providers, the workforce, and unions have been engaged in readiness to upskill staff for a new zero emissions future.



Strategic Transport Policy and Active Travel

In August 2020 the [ACT Transport Strategy 2020](#) was launched outlining a vision for a world-class transport system that supports a compact, sustainable and vibrant city. This means providing flexible, reliable, and sustainable options for Canberrans to make their journeys including;

- > convenient and connected public transport;
- > high-quality environments for walking and cycling; and
- > a road network allowing us to move people and goods safely and reliably across the city.

Work has commenced to develop decision-making tools and guidance to ensure the [ACT Transport Strategy 2020](#) vision is realised. This includes:

- > The **Movement and Place** decision-making tool that will assist directorates to work together with the community to enhance the city by creating streets that work from both a place and transport perspective;
- > The **Transport Strategic Investment** decision-making tool that will guide practitioners in helping to align spending proposals with government priorities including the commitment to rebalance investment over time towards public transport, cycling, and walking, while recognising the importance of maintaining the reliability and safety of roads. The framework will assess projects for strategic fit against the strategy's principles;
- > an implementation package for **Active Travel** including an updated **Active Travel Framework**, a **Cycle Network Plan**, and **Best Practice** design guidance to reflect current strategic priorities, identify gaps in infrastructure and ensure works support and make walking and cycling more attractive, on their own or in combination with public transport; and
- > A **Monitoring and Reporting** framework will be developed to track progress in achieving the strategy's objectives.

During 2020-21, shared micro-mobility services were expanded to include e-scooters in Central Canberra and Belconnen Town Centre, bringing the total number of devices available for hire to 200 bikes and 1,500 e-scooters. Approximately 4,000 e-scooter trips are logged each day with average trip distances of just under one kilometre. In 2021-22 the directorate will work with the commercial operators to expand services to more areas and better connect places of interest on their own or in combination with other transport modes. TCCS will also continue to improve safety in the shared-path environment.

2020-21 has seen a continued reduction in travel demand due to the COVID-19 pandemic. However, in the same period, there has been increased interest in cycling and walking as forms of active travel. During 2021-22 an education and awareness campaign will be developed to harness this opportunity, assisting people to overcome barriers to walking and riding, in the first instance with a focus on short local trips, but also for work.

During 2020-21 the government has led national discussions on setting the direction of public transport recovery in the context of the COVID-19 pandemic through the Infrastructure and Transport Ministers' Meeting and National Cabinet Reform Committee. The directorate will continue to contribute to national transport and infrastructure policies, low and zero-emission vehicles, autonomous vehicles, heavy vehicle reform, and public transport recovery in the context of the COVID-19 pandemic.

Priorities for 2021-22

- > Implementation of the ACT Transport Strategy 2020 commencing with key policy decision-making tools and plans.
- > Expansion and development of programs to support more walking and cycling to meet transport needs within an integrated transport system.
- > Continue to contribute and show leadership on transport and infrastructure policy of national interest.

In focus: Slower Streets initiative

Canberra's suburban streets experienced a walking and cycling boom during the 2020 COVID-19 restrictions when more people were exercising and living locally in their local streets.

Slower Streets was a temporary initiative developed in partnership with walking and cycling groups and delivered by self-nominating residential organisations and networks. The initiative aimed to encourage people to slow down and look out for their neighbours. Slower Streets did not change speed limits but was an invitation to look out for each other. Signs and basic guidance were provided on the placing of signage with residential communities installing the signs according to local circumstances and communicating with their neighbourhoods about the scheme.

Whilst Slower Streets was initially a response to COVID-19 restrictions, the initiative tapped into an underlying sentiment in communities to have more people-friendly streets and communities. By the end of 2020, 20 suburbs had become involved.

Road Safety and Transport Regulation

Following a change to Administrative Arrangements, responsibility for Road Safety and Transport Regulation was transferred to the directorate from the Justice and Community Safety Directorate during 2020-21.

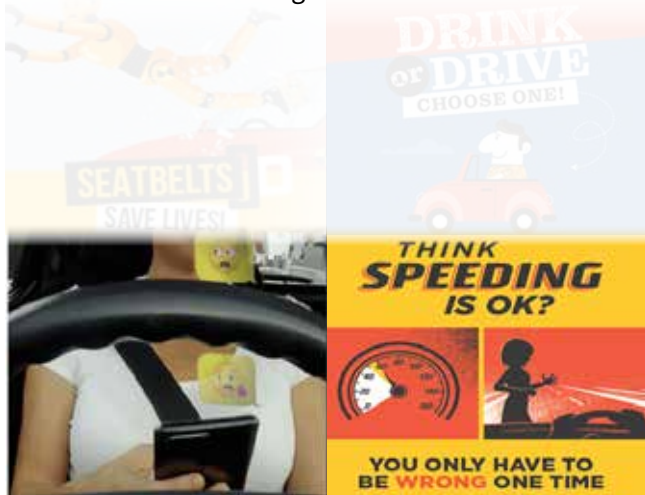
During 2020-21:

- > the [ACT Road Safety Strategy 2020-2025](#) and [ACT Road Safety Action Plan 2020-2023](#) were released providing a framework for improved road safety outcomes, strongly prioritising Vision Zero to realise no deaths or serious injuries on our road transport system.
- > licence fee discounts were increased for provisional drivers demonstrating good behaviour to encourage safer driving behaviour;
- > engagement was undertaken with stakeholders to develop amendments to road transport laws allowing for the operation of mobile device detection cameras on ACT roads;
- > a range of regulations and instruments were developed, including the provision of 2-years free registration for Zero-Emission Vehicles registered for the first time in the Territory between May 2021 and June 2024.

During 2020-21 several road safety campaigns were undertaken to educate and inform the public about different factors related to road safety.

Mobile Distraction Campaign

To support the introduction of mobile device detection cameras, an extensive mobile distraction road safety campaign was launched in June 2021. The campaign raised community awareness of the rules regarding the use of mobile devices while driving and the dangers posed to other road users. The campaign included television, radio, digital and out-of-home advertising.



Seatbelt Compliance Campaign

Between 2015-18, seven people were killed in a crash while not wearing a seatbelt. The Seatbelts Saves Lives campaign targeted all drivers and passengers to highlight that failure to wear a seatbelt or wear it properly, significantly increases the chances of serious injury or death in a collision. This includes projection through the windshield, being heavily forced into airbags, and impacting other people in the vehicle. The campaign, which ran for two months from May 2021, reminded drivers and passengers to always wear their seatbelts and of the serious consequences of not wearing a seatbelt.

Drink Driving Campaign

Between 2015-2018, seven ACT drivers and motorcyclists were killed with blood alcohol levels above the legal limit. National data suggests alcohol is a contributing factor in up to 30 per cent of fatal crashes. The Drink or Drive -Choose one campaign ran for two months from June 2021 and highlighted that whilst it's fun to socialise with friends, if you're drinking the safest options are to catch public transport, get a lift with a sober friend, stay overnight or if you plan to drive, don't drink.

Speeding Education Campaign

Speed has been identified as a contributing factor in 21 per cent of all fatal crashes in the ACT between 2015-18. Studies have shown that 'low level' speeding contributes to a significant percentage of road casualties and fatalities. Even speeding at five kilometres an hour above the speed limit increases both the likelihood of a crash occurring and the severity of driver and pedestrian injuries. Commencing in March 2021 for two months, the **Think Speeding is ok? You only have to be wrong ONE TIME!** campaign, highlighted the dangers of travelling at even a little over the speed limit.

2020 Road Safety Fund Community Grants

The ACT Road Safety Fund was established in 2015 to support the [ACT Road Safety Strategy](#) by funding projects and initiatives relating to road safety research and education, and road trauma prevention. The Fund is resourced by the road safety contribution levied on ACT vehicle registrations.

The Road Safety Advisory Board provided advice about the fund's application, including the delivery of a road safety community grants program. The Board is a non-statutory body, comprising an executive as Chair, nominees of ACT motor accident injury insurers, road user representatives, and road safety experts.

The fifth annual Road Safety Fund Community Grants program received 34 applications in 2020. The fund provided over \$250,000 across seven organisations.

Priorities for 2021-22

- > Implement measures detailed in the ACT Road Safety Action Plan aimed at saving lives and reducing injuries arising from road accidents.
- > Investigate available and emerging enforcement technology to monitor and enforce illegal actions on the road to determine how to achieve maximum road safety benefits.

Table 2: ACT Road Safety Fund Community Grant recipients for 2020-21.

| Project | Organisation | Funding Amount (\$) | Description |
|---|--|---------------------|---|
| Cognitive Processes Implicated in Useful Field of View Task Performance | Australian National University | 10,872.33 | A project to assess how individuals perform on the useful field of view task to bridge the disconnect between practical driving competency assessments and theoretical models of visual-cognitive processing. |
| Safety Evaluation of Seagull Intersections in the ACT | Australian Road Research Board | 46,250.00 | A project to identify and quantify the road safety issues associated with seagull intersections on the ACT road network to assist in prioritising intersection improvements. |
| Video capture and analysis of cyclists using infrastructure in the ACT through machine learning | Centre for Automotive Safety Research | 49,500.00 | A pilot project to trial a method of using video surveillance, augmented with machine learning, to automate the detection of cyclists to enable a greater understanding of how cyclists utilise transport network infrastructure and as a potential road safety tool. |
| Evaluation of the Reducing Aggressive Driving (RAD) program for young drivers | Monash University Accident Research Centre | 66,200.00 | A project designed to evaluate immediate and long-term outcomes of the RAD program, focusing on changes in knowledge, attitudes, and behaviour. |
| Canberra community slow ride | Pedal Power | 25,000.00 | A project to promote awareness of the minimum passing distance laws and vulnerable road user safety. This project is to be delivered in collaboration with ACT Policing. |
| Identifying the pedestrian and cyclist crash black spots in the ACT road network | Royal Melbourne Institute of Technology | 27,386.00 | Use Geographical Information Systems and Kernel Density Estimation to identify the spatial patterns of accidents involving pedestrians & cyclists on ACT roads. |
| Enhancing the young pedestrians' perceived risk of distraction | Royal Melbourne Institute of Technology | 41,532.00 | A project to design posters and brochures with messages aimed at increasing secondary school pupils risk perception and consequence awareness of distraction while crossing the road. |

Output Class 2: City Services

Output 2.1: Roads and Infrastructure

Road maintenance – road resealing

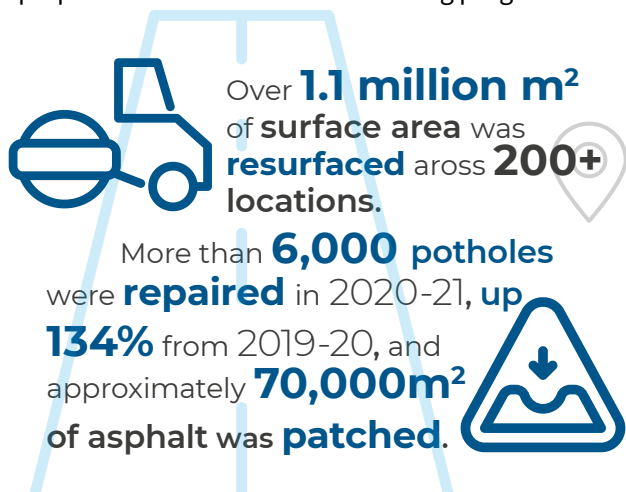
Each year, Roads ACT undertake a resurfacing program to prevent potholes and other pavement defects

During 2020-21:

- > bitumen resealing covered an area of 896,675 m² at over 185 sites;
- > asphalt resurfacing covered an area of 202,296 m² at over 42 sites; and
- > microsurfacing covered an area of 64,379 m² at over six different sites.

Roads ACT has repaired over 6,375 potholes and undertaken approximately 11,760 m² of hot asphalt patching work in the 2020-2021 financial year. This is an increase of approximately 134 per cent in pothole repairs and 391 per cent in hot asphalt patching work compared to the 2019-2020 financial year.

In addition, approximately 58,700 m² of planned asphalt patching work was completed in preparation for the bitumen resealing program.



Paths

The Community Paths Audit inspection program determines the condition and defect status across over 75 per cent of the ACT path network. Approximately 2,130 path inspections were undertaken to respond to community requests, and 5,110 defects were raised mainly including defects to concrete paths, pavers, driveways, kerbs and channels. In response, 12,300 m² of concrete path and related assets and 30,700 m² of asphalt paths were resurfaced in 2020-21.

Traffic

Five new traffic signalised intersections were added to the road network in 2020-21, bringing the total number of traffic signal sets to 367.

Twenty-nine traffic signal controllers are being renewed and Uninterruptable Power Supplies are being installed at 51 traffic signal sites to improve operational reliability, particularly along the Light Rail Corridor. New LED lanterns are also being installed at 38 traffic signal sites to reduce power consumption and maintenance costs whilst improving the visibility of traffic signals.

Four new CCTV traffic monitoring cameras were deployed to increase the traffic management centre's ability to detect incidents, monitor traffic flows, and provide real-time management of traffic issues.

The trial of interactive smiley face speed responsive signs was expanded in 2020-21 and now includes sign footings at 23 residential streets with six portable signs rotated around these footings every three to four months. The selection of residential streets is based on a combination of current traffic data and community concerns.

Traffic Management and Safety processed 3,207 applications for Temporary Traffic Management representing an increase of around 12% from 2019-20. During 2020-21, 486 traffic surveys were conducted.

Streetlights

Roads ACT completed the third year of a seven-year Energy Performance Contract for the provision of ongoing operations and maintenance of streetlight assets. Outcomes include energy efficiency improvements through the upgrade of 42,500 streetlights to LED luminaires, improving maintenance efficiency through improved data acquisition and control systems including automatic self-reporting of streetlight outages, and the continued Smart City network roll-out through the installation of access points and smart photo-electric cells.

Streetlight energy consumption has now been reduced by 49 per cent compared to the baseline year.

42,500 streetlights were **upgraded** to LED luminaires and streetlight **energy consumption** has been **reduced** by **49%**.



Stormwater

In 2020-21, gross pollutant traps were audited to identify improvements to their performance and reduce operational costs. Additional gross pollutant traps and underground pipe cleaning were undertaken following receipt of stimulus funding from the Commonwealth Government.

Street sweeping schedules have also doubled, introducing two shifts per day to reduce the volume of organic matter entering the stormwater network.

An increased number of nuisance flooding requests were responded to due to an unusually high rainfall period. Several cut-off drains located at the base of mountains, ridges, and hills were restored to reduce nuisance flooding during storm events and extended wet periods.

Priorities for 2021-22

- > Introduce new panel contract arrangements for various asset maintenance programs to improve responsiveness to maintenance-related customer requests.
- > Commence the collection of path condition and defect data from cameras attached to vehicles to provide opportunities for improved path condition data coverage.
- > Transition municipal road inspections to vehicle collected data to improve the quality of data covering larger areas and improve the selection of roads for resurfacing.
- > Utilise stimulus funding to facilitate further path maintenance and pothole repair work.

Infrastructure Delivery

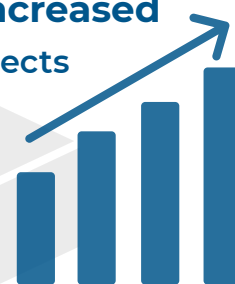
During 2020-21, Infrastructure Delivery has experienced significant growth in its capital works program with 249 projects compared to 188 projects in 2019-20. This represents an increase of over 32 per cent in the capital works program.

The capital works program has played a critical role in enabling economic recovery, protecting local jobs, and building infrastructure to support the ACT through the ongoing COVID-19 pandemic.

The pandemic has impacted all aspects of the construction industry, including design consultancies that transition infrastructure projects through to the construction stage. In the mid-year ACT budget, \$2.5 million was provided to fast-track design work that resulted in the creation of approximately 40 jobs. In progressing design projects, consultancies ensured a consistent pipeline of works to stimulate employment growth.

Capital works program **increased**
by **32%** with **249** projects

Infrastructure planning
initiated **1.5X more**
projects than last
period.



Northbourne Ave Pavement Stage 1, 2 and 3

In 2020-21, stages 1 to 3 of the Northbourne Avenue Pavement Rehabilitation project were completed using a sustainable process providing the following benefits:

- > more than 6,000 tonnes of existing pavement material were recycled on-site instead of going to landfill;
- > imported materials to the site were reduced by 69 per cent;
- > an 80 per cent reduction in project completion times over using traditional techniques; and
- > saved 40 per cent in project costs, gaining a road built to last over two decades.

In May 2021, this project was the major award winner at the Civil Contractors Federation (CCF) Earth Awards in the WH&S – Civil category.

Female friendly change rooms

Works were undertaken within sportsground pavilions to provide a better amenity for women and girls, consistent with the [Female Friendly Change Rooms @ Sporting Facilities Guidelines](#). Twenty-two pavilions have been upgraded in recent years to meet the guidelines, 16 of these upgrades occurred in 2020-21.

Changes include the installation of privacy screens on all showers and toilets, removal of urinals, and adding baby change tables, bench sinks, and mirrors. Aboriginal and Torres Strait Islander enterprises were engaged in the delivery of female-friendly upgrades at Boomanulla Oval.

Belconnen Way and Springvale Drive

New traffic signals and safety improvements are expected to reduce the frequency and severity of accidents at the intersection of Belconnen Way and Springvale Drive. Key features include:

- > improved road user safety and establish a smooth flow of vehicles, reduce travel times, and lower the risk of accidents;
- > realigning the left turn lane from Belconnen Way to Springvale Drive with a zebra crossing and new pedestrian island;

- > upgrading existing concrete medians and providing new line markings;
- > installing a new signalised pedestrian crossing;
- > upgrading footpaths and kerb ramps, linking the intersection to the surrounding path network;
- > providing on-road cycle lanes on both sides of Belconnen Way at the intersection; and
- > landscaping, including grassing and shrub planting.

Mugga Landfill Cell 3 and 4

Additional landfill capacity of approximately 2.4 million cubic metres has been created at the Mugga Lane Resource Management Centre to ensure continued waste management operation in the territory beyond 2021.

The project was completed with construction taking place throughout the COVID-19 disruption. This included the procuring and management of specialist materials, consultants, and contractors from interstate.

Heysen Street Shared Path

The Heysen Street Link Path has delivered new active travel infrastructure providing safe travel for pedestrians and cyclists from Weston Creek and Molonglo to the Woden Town Centre. The first stage on Heysen Street and the Oakey Hill Nature Reserve was completed in December 2020 with 1km of asphalt path, lighting, raised priority road crossings, and equestrian facilities. A second stage was also completed with an off-road shared path from the Lyons shops to Burnie Street. A final stage along Devonport Street will be completed in 2021-22.

Belconnen Bikeway

The Belconnen Bikeway, linking Coulter Drive and Haydon Drive through Belconnen town centre, was completed in November 2020. The new 4.7-kilometre bikeway improves accessibility, provides safer and faster commutes, and delivers more opportunities for weekend recreation. The bikeway includes both shared and separated cycling

and pedestrian facilities with part of the route utilising the former bus-only road which connected Coulter Drive with the former Belconnen Bus Interchange. Delivery of the project included the planting of approximately 200 trees to create shade for bikeway users and contribute to tree canopy targets. Detailed design for the final stage of the bikeway from Haydon Drive to Battye Street was also completed in June 2021.

Monaro Highway – Planning & Design

Work continued on planning and design work for the upgrade of Monaro Highway. Preliminary sketch plan designs have been finalised for the Lanyon Drive Intersection, and preferred treatment options have been selected for the Isabella Drive Interchange and Hume Intersections. Detailed design of early utility relocation design has also been complete and a tender process for the early utility relocation works has also commenced.

Finalise planning and design for William Hovell Drive

The 4.5km duplication of William Hovell Drive from John Gorton Drive to Drake-Brockman Drive will include on-road cycle lanes and a dedicated off-road shared path. The completed project will significantly reduce congestion and accidents. Final design and development approvals will permit construction to commence in mid-2022. The construction project will directly support the local construction industry including subcontractors and suppliers.

Active travel

The active travel infrastructure program continued to deliver improvements to the active travel network with new path connections and priority crossings along main community and local routes, delivery of wayfinding signage, and ongoing delivery of the aged-friendly suburbs program. Concept designs have been finalised for the City to Queanbeyan route through the Kingston Foreshore, the Belconnen to City route, and improvements to the Barry Drive and McCaughey Street intersection for active travel users.



Belconnen Bikeway (left) and Heysen Street Shared Path (right).

Priorities for 2021-22

- > Continue to focus on fully committing the capital program following a challenging 2020-21, using transparent and robust tendering processes to achieve value for money.
- > Embrace innovative solutions to meet the challenges of environmental management in capital works delivery and put in place controls ensuring the appropriate management of quality, safety and achieving budget spend.
- > Increase opportunities for Aboriginal and Torres Strait islanders to participate in the infrastructure investment program's delivery and build on previous outputs gained from implementing the Government's Aboriginal and Torres Strait Islander Indigenous Participation Policy.

Infrastructure Planning

Infrastructure planning is responsible for supporting the operational areas of City Services in the planning and management of open space and public municipal infrastructure assets.

In 2020-21, 113 projects were initiated and developed compared to 76 projects in 2019-20, a 49 per cent increase. This increase is directly related to the fast-tracking of projects to support jobs and minimise the economic impact of Covid-19.

Infrastructure Planning coordinated and provided funding submissions to the Department of Infrastructure, Transport and Regional Development and Department of Home Affairs on behalf of TCCS and other ACT Government Directorates for considerations as part of the Australian Government 2021-22 Budget. Successful projects receiving funding included:

- > Beltana Road Improvements, Pialligo;
- > Canberra - Southwest Corridor upgrade package;
- > Gundaroo Drive duplication;
- > Parkes Way Upgrade - planning and design;
- > William Hovell Drive duplication;
- > Monaro Highway upgrade; and

- > Molonglo River Bridge.

Seven local job seekers were employed under the Jobs for Canberrans initiative to capture asset performance data to support strategic asset management. The program focused on assets such as community paths, signage, stormwater infrastructure, park furniture, and public toilets. The data provides evidence to support business case development, strategic asset reporting requirements, and asset management objectives through predictive asset modelling.

Work has continued to update and develop new design standards, technical specifications, standard drawings, and guidelines. This work ensures currency with Australian Standards and in meeting community and industry expectations in matters such as supporting the reuse of recycled products and further adoption of Building Information Modelling.

Priorities for 2021-22

- > Transition the existing Roads ACT and City Presentation Strategic Asset Management Plans to the NAMS+ template based on ISO 55000 and develop the State of the Asset Report.
- > Develop 2022-23 investment priorities for Roads ACT and City Presentation;
- > Undertake the southwest corridor/Parkes Way planning study; and
- > Review and update trunk road standards and specifications to adopt Austroads specifications for roads and bridges.

Development Coordination

The Development Coordination Branch has responsibility for coordinating review and assessment of planning and development proposals, road network performance analysis and modelling, and the school safety program. The branch provides secretariat and coordination to support the Disruption Taskforce and it helps to ensure quality outcomes of development across the city and inform infrastructure planning.



Overhead photographs of (from left to right) Gundaroo Drive, Monaro Highway, William Hovell Drive, and

During 2020-21:

- > the City and Inner North Reference Model was completed to underpin significant infrastructure and planning projects;
- > provided advice to the ACT Planning and Land Authority on development proposals including detailed design reviews and operational and final acceptance of public infrastructure built as part of infill and greenfield developments;
- > infrastructure improvements were delivered around schools through stimulus funding making it safer for students to walk or ride to school with improvements including crossing upgrades, new path connections, refuge islands, speed humps, and improved line marking;
- > coordinated road safety and traffic management support for schools - visiting and liaising with schools and school communities to address local concerns;
- > commenced providing education resources to schools participating in the Active Streets program; and
- > delivered programs including the School Crossing Supervisor Program at 25 schools, the Ride or Walk to School and It's Your Move programs which support schools by providing access to the Safe Cycle curriculum resource, sets of loan bikes, and event management support.

Priorities for 2021-22:

- > Ongoing program delivery to support road safety and traffic management at schools.
- > Continue to provide support and advice on planning and development proposals and major infrastructure projects.
- > Continue to support the work of the Disruption Taskforce including secretariat, coordination and provision of transport modelling services.
- > Recalibrate the Canberra Strategic Transport Model including undertaking a Household Travel Survey.

- > Commence development of a base reference traffic model for Gungahlin Town Centre.
- > Update the Transport Impact Assessment Guidelines.
- > Update the Parking Action Plan including associated parking surveys.

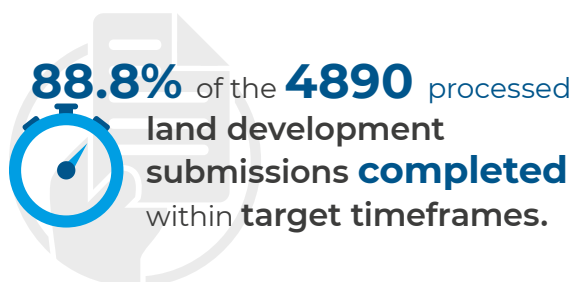
Processing of applications for land development works

During 2020-21, TCCS received 5664 land development submissions. The total number of submissions includes planning submissions, development applications (DA), building applications (BA), post DA submissions, landscape management and protection plans (LMPP) and land access and activity notices (LAAN).

The total number of land development submissions processed in the reporting period was 5506, with 4890 (88.8 per cent) of these processed within the target timeframes.

Development applications (DA), building applications (BA) and LAANs have a statutory turnaround time of 15 days. In 2020-21 4312 submissions were received with 4186 processed and 3986 (95.2 per cent) processed within the required timeframe.

Post DA submissions have a 20-day turnaround time agreed with the industry. In 2020-21 1352 submissions were received, with 1320 processed and 904 (68.5 per cent) processed within the target timeframe.



the Molonglo River Corridor (including example visualisation of a Molonglo River Bridge configuration).

Output 2.2: Library Services

Libraries ACT provide information, literacy, and learning activities from nine public libraries and the ACT Heritage Library located across Canberra. Libraries ACT provide a Home Library Service delivering collection items to people who are unable to physically visit a branch because of a disability, illness or limited mobility, and a range of digital resources. The percentage of the ACT population who are registered library members has increased from 41 per cent to 44 per cent in 2020-21.

Reading and lifelong learning opportunities contribute to community literacy and language development. During 2020-21, Libraries ACT loaned 1,296,956 physical items in addition to 776,827 eResources. The loan of digital resources increased over 2020-21 due to the impact of COVID-19 and the usage of family history digital resources reached 101,425 in 2020-21, doubling that of 2019-20. Usage of eBooks increased by 23 per cent, usage of eAudio resources increased by 30 per cent, and usage of eMagazines increased by 22 per cent.

New 'Hot Picks' collections were launched in April 2021 and are proving popular with Libraries ACT customers. 'Hot Picks' are a selection of popular, high-demand titles designed for speedy readers. Books are available for 7 day loans and walk-in, on-the-spot borrowing at each branch. These titles cannot be reserved or renewed. During the first three months of this initiative the adult 'Hot Picks' collection generated 1,094 loans from 270 items, whilst the Kids 'Hot Picks' collection generated 2,119 loans from 310 items. Libraries ACT will continue to add additional titles to these collections in 2021-22.

Libraries ACT delivered 43,219 library items to people via the Home Library and Mystery Box services in 2020-21.

Lifelong learning and outreach activities

Libraries ACT actively support lifelong learning, connecting people to information, ideas, and practical skills. Various formats are used to support learning outside formal education pathways, with online and face-to-face programs delivered to the public.

Face to face public programs have continued to be impacted by COVID-19 however, in 2020-21 Libraries ACT:

- > delivered online program formats, including Story Time and Giggle & Wiggle;

- > provided technical assistance through a Libraries ACT Digital Helpline to assist customers with online membership, e-resources access, basic computer problems, and advice on the smart, safe, and responsible use of digital tools;
- > promoted twelve local authors through conversations recorded under the title 'Read Local', making these available online;
- > shared children's stories by four local children's authors, through the Story Walks initiative;
- > supported 217 book clubs, loaning 332 book sets, and made titles available in electronic formats to facilitate non-physical access to the collection;
- > hosted three exhibitions at the ACT Heritage Library: 'The Art of the Story Circle', *Brayshaw's Hut*, and 'Enchant: Moments of Expression from the Humanitarian Settlement Program';
- > participated in community events including Floriade Reimagined 2020, the 2021 Canberra and Region Heritage Festival, and Tracks to Reconciliation; and
- > promoted and linked library resources with national events including Australian Reading Hour, National Simultaneous Storytime, National Science Week, Tree Week, International Mother Language Day, National Reconciliation Week, Refugee Week, and Harmony Day.

Libraries ACT offers material in 23 languages other than English. In 2020-21 more than 45 bilingual story times were offered, in languages including Hindi, Mandarin, Bangla, Vietnamese, Cantonese, Indonesian, Thai, Farsi, Dari, Arabic, and Spanish. The Libraries ACT Bilingual Story Time team were recipients of the 2020 ACT Multicultural Award in the category of Outstanding Excellence Award for Diversity and Inclusion.

Online story times were also offered to celebrate Ngunnawal and Wiradjuri language and culture and featuring children's publications written by Aboriginal and Torres Strait Islanders.

Digital Services

Libraries ACT provides access to computers and the internet and maintains a social media presence. At time of reporting, Libraries ACT has 7,614 Facebook followers and 3,518 Twitter followers: sharing news, information, and ideas with the public. In 2020-21 the Libraries ACT website received 866,077 views and the catalogue website had 5,876,556 views. An ACT Heritage Library sub-page on Facebook commenced in April 2021 developing a stronger presence for the Heritage Library.

Recording ACT's heritage

During 2020-21, the ACT Heritage Library continued to add to its collection of publications, archival collections, images, maps, and plans. More than 12,537 items and 130 original materials collections were added to the collection in 2020-21. This was an 810 per cent increase over the previous year, and included:

- > 12 digital stories;
- > 3 oral history collections; and
- > 9,162 publications; and
- > 3,375 publications added through the National eDeposit scheme.

As well as acquiring newly published works by local authors, the ACT Heritage Library has concentrated on filling gaps in the collection. Notable acquisitions have been the first edition of Les Murray's first book of poetry, published in Canberra by Brindabella Press, and a 1933 travel book in Swedish with a chapter on Canberra as the new capital city.

Other original materials received by the library included:

- > Tharwa School Heritage Collection 1899-1995;
- > Captains Flat Hotel and Commercial Hotel Eden Visitors Book 1890-1919;
- > Dante Bozzato Collection of diaries, notebooks and photographs kept as a site supervisor on the Snowy Mountains Scheme 1966-1969, and National Capital Development Commission 1985-1989;

- > South Woden Cricket Club Records 1969-1978; and
- > Gudgenby Bush Regenerators Group Records 1998-2019.

The ACT Heritage Library's Digitisation Suite was fully implemented in 2020-21. The employment of two Digitisation Officers through Jobs for Canberrans enabled the digitisation of:

- > 736 publications;
- > 32 original materials collections; and
- > 1,366 Audio visual materials.

2020-21 also saw increased use of the image and ephemera collection in public arenas. Of particular note is the 1 to 3 posts per day shared on Facebook by *The Canberra Page*, using images from the ACT Heritage collection.

Programs and exhibitions have also been offered to the Canberra public; including partnerships and collaborations with Canberra and Region Heritage Festival with Archives ACT, Endangered Heritage, and the Heraldry and Genealogy Society of Canberra.

Priorities for 2021-22:

- > Deliver the Imagine 2030 future plan for libraries;
- > open the redeveloped Woden Library; and
- > leverage the Integrated Library Management System (ILMS) to provide access to digitised original materials held by the ACT Heritage Library.

In focus: Story Walks

During 2020-21, Story Walks were developed as a COVID safe activity.

Story Walks are a special outdoor activity for the community, allowing participants to enjoy a short story along a special walking route. The activity promotes exercise and exploration of local neighbourhoods and provides a fun way to promote reading and literacy as well as an opportunity for families to read and enjoy an activity together. Customers follow a route on a map, available from Library branches, or use directions on story walk panels, to find each stop and discover what happens next. Some stops also feature an interactive element where walkers can add their illustrations in chalk.

The Story Walks feature books by local authors with one non-local author for Reconciliation Week. The walks were held in five locations between January-June 2021, with four of them linked to a local library and one to the National Arboretum as part of Tree Week Celebrations. After the Summer of Wonder Story Walk at Belconnen, the remainder were aligned with local activities such as the Celebrate Gungahlin Festival, Tracks to Reconciliation, and Wintervention. The Story Walk activities were accompanied by a social media campaign and were featured in local media.



Jett Dong on the 'Story Walk' with author and illustrator Erin-Claire Barrow

Output 2.3: Waste and Recycling

Waste and recycling include the provision of domestic waste, recyclables and green waste collection services, operation of resource management, and recycling centres, delivery of education and engagement programs, development of waste policy, waste regulation, and implementation and evaluation of waste management programs.

Service delivery

ACT NoWaste continues to deliver high-quality waste management services. In 2020-21 this included:

- > 7.09 million household waste and 3.64 million recycling collections;
- > environmentally safe disposal of 256,370 tonnes of residual waste at Territory landfills;
- > 66,026 tonnes of materials received for recovery at the Materials Recovery Facility in Hume; and
- > 4,996 tonnes of recycling collected through ACT NoWaste Recycling Drop Off Centres.

Green waste bin collections remain popular with over 91,157 households opting in for the service, a take-up rate of 54 per cent. The contamination rate for 2020-21 is under 0.001 per cent, an outstanding result reflecting the commitment by residents to use their green bins correctly.

The introduction of a Bulky Waste collection service continued to be a focus in 2020-21. Collections commenced in Gungahlin and Tuggeranong in July 2020 and in April 2021 the service expanded to Belconnen. In 2020-21, 5,995 bulky waste collections were undertaken with the service scheduled to commence in the rest of Canberra from July 2021.

A minimum 30 per cent resource recovery rate from collected items has been set for the bulky waste service. As of June 2021, this goal has been exceeded with a resource recovery rate of 41 per cent.

Funding of the not-for-profit organisation GIVIT continues. GIVIT is a virtual warehouse, matching donations from people with items to give to individuals who need them. In 2020-21 GIVIT received 135,255 requests for items and facilitated 235,080 matches in South East New South Wales, covering the ACT as well surrounding local council areas.

In 2020-21, ACT NoWaste facilitated a range of additional recycling services resulting in:

- > 44,870 mattresses being recycled through the Soft Landing mattress scheme;
- > 182,596 litres of paint recycled through the National Paintback scheme; and
- > 365 tonnes of e-waste through the National Television and Computer Recycling Scheme.

In 2020-21, **ACT NoWaste**

 facilitated the **recycling** of **44,870** mattresses, **182,596** litres of paint, **365** tonnes of e-waste and **3.8** tonnes of corflute material, and the **recovery of resources** from **4,996** tonnes of material received at the **Material Recycling Facility**, **5,995** bulky waste collections and **235,080** items matched through the **GIVIT Virtual Warehouse**.  

Corflute recycling trial

ACT NoWaste partnered with Corex Recycling in October 2020 to commence a corflute recycling trial with the trial's timing providing an opportunity to recover election signage following the ACT election in October 2020.

A total of 3.8 tonnes of corflute material was collected and recycled by June 2021. The trial has now been extended to December 2022 whilst an assessment is made concerning the future of this scheme.

Policy

The ACT seeks to drive the resource recovery and a circular economy agenda at local and national levels through representation at the Environment Ministers Meeting (EMM) and other related forums including:

- > the Senior Officials Group supporting the EMM;
- > the Resource Recovery Reference Group;
- > the Government Officials Group overseeing the Australian Packaging Covenant Organisation; and

- > various waste-related working groups on the circular economy, photovoltaics and single-use plastics.
- > Through the EMM, the ACT joins other Australian jurisdictions in committing to the National Waste Policy and associated Action Plan, working towards targets such as:
- > phasing out problematic and unnecessary plastics by 2025; and
- > halving the amount of organic waste sent to landfill for disposal by 2030.

In September 2020 a Code of Practice was developed to legislate the [National Environmental Protection \(Used Packaging Material\) Measure \(UPM NEPM\) 2011](#) in the ACT. The UPM NEPM encourages waste avoidance and the re-use and recycling of used packaging materials.

Phasing out single-use plastics

Plastic reduction remains a key priority. A significant step towards reducing selected single-use plastics came with the passing of the [Plastic Reduction Bill 2020](#) in March 2021. The first tranche of single-use plastic items will be banned on 1 July 2021, and will include plastic cutlery, plastic beverage stirrers, and expanded polystyrene food and beverage serving containers.

Significant engagement with the business community and the broader public was undertaken between March and June 2021 leading up to the ban's implementation.

TCCS contracted the National Retail Association to assist with the engagement and directly engaged with 502 retail and hospitality businesses across Canberra's retail precincts and suburban hubs. ACT NoWaste staff also undertook 398 additional engagements with businesses.

An information resource pack was distributed during these visits. The packs included a customer-facing poster, an information brochure, a fact sheet on banned items and alternatives, customer-facing table toppers, and customer-facing shelf talkers for retailers.

Over 2,000 community organisations, institutions and businesses were emailed to provide information about the ban. Ten video case studies were created and rolled out across social media channels, with a collective reach of more than 250,000 people.

A dedicated business hotline was set up to provide businesses with support and advice on their transition.

A second tranche of single-use plastic items will be banned from July 2022. These are expected to include single-use plastic straws (with exemptions for those who need them), single-use plastic fruit and vegetable 'barrier bags', cotton buds with plastic sticks, as well as all plastic products made from oxo-degradable plastic.

COAG waste export bans and the National Partnership Agreement

In March 2020, COAG agreed to ban certain types of waste from being exported. This has included:

- > unprocessed glass in a whole or broken state banned from export from January 2021, including both packaging and flat sheet glass;
- > mixed plastics not of a single resin/polymer type banned from export from July 2021;
- > whole used tyres banned from export from December 2021;
- > single resin/polymer plastics that have not been cleaned banned from export from July 2022; and
- > mixed and unsorted paper and cardboard being banned from export from July 2024.

In September 2020 the ACT became the first jurisdiction to sign a National Partnership Agreement (NPA) with the Commonwealth through the Recycling Modernisation Fund. The \$23.2 million project includes contributions of \$12.7 million from the ACT Government and \$10.5 million from the Commonwealth Government to deliver major upgrades to the Hume Materials Recovery Facility. The upgrades will ensure the production of cleaner, better separated, and higher quality recycled materials that can be more easily sold onto the domestic market.

Strategic planning and procurements

ACT NoWaste is planning for future waste management and resource recovery requirements, including the introduction of a Food Organics and Garden Organics (FOGO) processing facility, a site feasibility study for a North Canberra Resource Management Centre and Material Recycling Facility expansion.

Major procurement activities include procuring new service contracts for Mitchell and Mugga Lane Waste Transfer Stations and recycling drop-off centres, Mugga Lane and Mugga 2 landfill operations, Materials Recovery Facility operations, mattress recycling, and waste collection contracts for waste, recycling, food organics and garden organics, and bulky waste.

Recovered glass sand used in ICON Water pipe bedding

The ACT Government partnered with Icon Water to develop circular economy solutions to ensure waste glass containers can be recovered and utilised in local infrastructure projects.

The technical and environmental impacts of using crushed glass as a replacement for virgin river sand on ICON Water's network have been investigated. The material was found to be a suitable and cost-effective replacement resulting in reduced virgin river sand consumption and emissions associated with transporting material.

Container Deposit Scheme

The Directorate continues to oversee the Container Deposit Scheme's (CDS), compliance which has seen over 128 million containers returned and recycled through the network of CDS collection points since the Scheme commenced in 2018. In 2020-21, 56 million containers have been redeemed through the network, an increase of 11 million containers from 2019-20. A new CDS depot opened in Belconnen in October 2020, bringing the total number of return points to 19 at the close of the financial year.

Education and engagement

The ACT NoWaste Education and Engagement team's key achievements in 2020-21 included:

- > the Love Food Hate Waste pilot program aimed at reducing household food waste;

- > a Food Waste Challenge, with 3,662 residents participating as at 30 June 2021;
- > delivery of in-depth education with 4,969 residents through the Recycling Discovery Hub and outreach;
- > responding to 10,972 community enquiries on waste and recycling (in conjunction with Access Canberra);
- > receiving approximately 85,000 views each month on ACT NoWaste and Recyclopaedia webpages;
- > continuation of the Recycle Right campaign with advertising focused on 'keeping it safe' and delivery of Recycle Right move in/move out resource kits to 40 real estate agencies;
- > engaging 500 school students in a recycling and waste truck design competition, resulting in new signage for two new trucks; and
- > establishing a regular ABC Radio Canberra spot for recycling and waste.

Priorities for 2021-21

- > Roll out a Food Organics and Garden Organics (FOGO) Waste collection pilot in Belconnen.
- > Implement the second tranche of the single-use plastics ban.
- > Commence major upgrades to the Hume Materials Recovery Facility.
- >



Canberra students Elwyn Copelin (left) and Olivia Zhang (right) holding their winning designs featured on ACT NoWaste's two new recycling trucks.

Output 2.4: City Maintenance and Services

This output encompasses the planning and management of parks and urban open space systems, including associated community infrastructure; maintaining the city's look and feel; managing the urban forest; and managing sportsground facilities. The output also covers the provision of advice, education, and compliance services in relation to municipal ranger functions, domestic animal management, animal licensing, and significant tree protection. This output also includes Yarralumla Nursery.

Urban land management

In 2020-21, the directorate undertook the following activities to maintain the city's look and feel:

- > undertook a range of city maintenance and cleaning services in response to COVID-19, including regular cleaning and disinfecting of high use public areas such as bus interchanges, shopping centres, playgrounds, public toilets, and BBQ facilities;
- > mowed 42,075 hectares of public land, representing a 43 per cent increase on the previous mowing season;
- > delivered weeding, litter picking, pest control, and horticultural maintenance services to ensure the amenity, accessibility, and community safety across the city;
- > inspected 512 playgrounds at least fortnightly with repairs carried out as required, maintained 123 memorials and 361 artistic design features including artworks, sculptures, paintings, mosaics, street arts, and murals;
- > worked in collaboration with key partners such as the City Renewal Authority and Events ACT to deliver enhanced maintenance and cleaning of the City Renewal precinct and delivery of horticultural services for Floriade Reimagined, including profiled community plantings; and
- > completed a major upgrade of Yarralumla Dog Park, taking the opportunity to upgrade the amenity with irrigation and new seating.



Priorities for 2021-22

- > Further investigate and identify opportunities for Aboriginal and Torres Strait Islander participation in community projects including play spaces design and indigenous landscape planting.
- > Deliver the inaugural Surface Street Art Festival to profile and celebrate the diversity and quality of street art in Canberra.
- > Explore ways to enhance the volunteering experience provided by the Urban Parks and Places Volunteer Program, and plan for its continued growth.
- > Review the mowing program for service improvements and implement activities in the Bushfire Operations Plan to continue to meet land management responsibilities.
- > Continue to seek to provide more job security and skill development for staff whilst identifying further insourcing servicing opportunities.

In focus: Annual grass mowing program

The annual grass mowing program normally runs from September to March. In 2020 a La Nina climate event resulted in a significant increase in rainfall and rapid grass growth. In spring 2020 it had become evident that mowing suburbs every four weeks would be extremely challenging.

In November 2020 the government announced \$2.1m in additional funding for mowing, weeding, and follow-up amenity maintenance. The additional funding enabled 24 new staff positions to be created for 12 months to undertake weed control along main arterial roads, at local shops, and other high-profile locations. Nine additional mowers were hired to assist with the peak mowing period and contract mowing services were engaged to provide more frequent mowing of high-use irrigated areas.

During the 2020 – 2021 mowing season approximately 42,075 hectares in total were mown compared to approximately 29,248 hectares in 2019–20.



Managing the urban forest

The directorate manages Canberra's renowned urban forest of over 790,000 trees on public land. Maintenance work included watering young trees using reclaimed water from urban lakes and ponds, general and formative pruning, and tree replacement. More than 23,000 young trees were watered during the warmer months from October 2020 to May 2021.

The [Urban Forest Strategy 2021-2045](#) received a high level of community support and was released in April 2021. The strategy provides a range of objectives and actions to meet the 30 per cent canopy cover target in [Canberra's Living Infrastructure Plan](#), maintain and enhance the urban forest to improve amenity in a changing climate, review the [Tree Protection Act 2005](#) and deliver sustainable biodiversity outcomes.

A total of 6,163 street and open space trees were planted as part of the tree planting program with a particular focus on planting in residential areas vulnerable to heat.

The newly formed Urban Treescapes in-house planting team planted 1,390 trees in parks, open spaces, and roadsides. This team also undertook the maintenance of young plantings, transplanting of trees planted in inappropriate locations, and prepared future planting sites by weeding and mulching.

In 2020-21, 755 public suggestions for tree planting locations were received through the YourSay interactive map and 921 trees were planted in response.

TCCS and the City Renewal Authority partnered to plant 17 advanced sized street trees at sites across Braddon and the City to improve shading and amenity in the city. An additional 2,257 young trees planted in new suburbs were handed over to TCCS for ongoing management. The Yarralumla Dog Park treescape was also replaced following the earlier removal of trees that had reached the end of their life.



Planting a new tree at Yarralumla Dog Park.



In 2020-21, TCCS managed over **790,000** trees and **planted:**

6,163 in **residential areas** and another **1,390** in **parks, open areas & roadsides**

921 in **response** to **public suggestions**

896 planted by **volunteer tree management groups**

17 in **partnership** with the **City Renewal Authority**



During 2020-21 an innovative Street Forestry Program pilot was undertaken. The pilot tested how best to engage with residents to increase the uptake of street trees in low tree canopy areas and at locations vulnerable to urban heat. More details on this pilot are provided in the Community Engagement section.

Support for volunteer tree management groups continued through support to 39 groups across Canberra. These groups collectively planted 896 trees and undertook young tree maintenance, data collection for mapping, and minor pruning. The groups added value to the regular maintenance activities of over 60 registered urban Landcare volunteer groups.

Canberra Tree Week 2021 took place in May 2021. The event included 34 diverse and engaging activities such as guided walks, talks, exhibitions, poetry workshops, and tree climbing. Events were hosted by 13 organisations and individuals across Canberra and in neighbouring regional New South Wales.

In 2020-21 2,570 requests relevant to the [Tree Protection Act 2005](#) were received including 2,141 tree damaging activity applications. Urban Treescapes reviewed 575 design and development proposals for works on public land to protect existing trees during development and provide guidance on new tree plantings.

TCCS maintains a register of trees considered important to the community and protects trees of exceptional value within our urban forest. In 2020-21, 13 additional nominations were received, adding to the existing 190 single tree registrations and 38 group registrations.

A total of 9,783 tree related enquiries were received through Fix My Street during 2020-21.

Flexible porous paving was repaired and/or installed around trees at 95 locations across urban public space across Canberra, addressing trip hazards while improving growing conditions for trees.

Urban wood waste was extensively recycled to provide approximately 3,000 m² of mulch for use by volunteer groups and community organisations. Approximately 900 large logs were salvaged for use as coarse woody debris in nature reserves and urban green spaces and both mulch and logs were used to support the creation of nature playspaces. Salvaged logs were also provided to be milled for school woodwork projects.

Priorities for 2021-22

- > Provide expert advice in reforming the Tree Protection Act to better protect Canberra's urban forest.
- > Commence audit work to update data on the condition of Canberra's urban forest and guide expanded tree maintenance and planting activities.
- > Continue to provide quality services in response to community requests for maintenance and applications under the Tree Protection Act.

Sportsground facilities

The directorate is responsible for the ongoing management and maintenance of the Territory's community sportsgrounds and associated facilities and the planning and delivery of new sporting infrastructure.

During 2020-21, TCCS:

- > maintained 127 separate oval sites across Canberra with 884 individual hireable sporting fields covering 444 hectares of public land;
- > managed sportsground bookings providing 149,519 hours of organised sporting use with 39,997 hours under floodlighting at 66 sites with floodlight facilities;
- > upgraded 17 sportsground pavilions across the City in accordance with [Female Friendly Guidelines](#) to better meet the needs of women and girls involved in a range of sports;
- > prioritised close and collaborative relationships with sporting peak bodies to ensure that the needs of sporting users were accommodated equitably and sustainably, noting the ongoing impacts of COVID-19; and
- > achieved an 87 per cent satisfaction rating for the management of sportsgrounds representing a 2 per cent increase on the previous year's result.



In focus: Gungahlin sportsgrounds

The growing Gungahlin region has continued to create additional demand for sportsgrounds and associated facilities. To meet this demand, additional sportsground lighting has been installed at Amaroo District Playing Fields and Bonner Oval. This has provided additional capacity to meet community demand for training bookings and enable sporting clubs to increase participation. It is also recognised that additional sporting facilities are required to meet the growing population and additional sportsgrounds are planned for "the home of football" at Throsby and in the longer term, additional fields at Taylor and Jacka.

Priorities for 2021-22

- > Continue to provide fit for purpose sportsgrounds and facilities for organised sport and community recreation.
- > Continue a rolling program of facility upgrades including making sporting pavilions female-friendly to encourage women and girls to participate in organised sport.
- > Undertake a rapid audit of sportsground facilities to inform future upgrade priorities.
- > Continue to nurture a collaborative and respectful relationship with peak sporting bodies

Licensing and Compliance

The Licensing and Compliance unit is responsible for regulating and licensing public land and municipal services in the ACT. The unit is made up of four teams being Land Use Licensing, City Rangers, Investigation, and the Compliance Targeting Team. These teams work in an integrated way, contributing to the unit's overall outcomes.

The unit applies a framework to its municipal licensing and compliance work, ensuring its advice, decisions and actions are fair, consistent, transparent, defensible, and non-prejudicial. A key element of this approach is the publicly available

Accountability Commitment statement that takes a 'risk-of-harm' approach, targeting resources to where the risks of harm, unsafe practices, or misconduct are the greatest.

In 2020-21, Licensing and Compliance responded to 4,133 complaints. These complaints relate to a range of issues including abandoned motor vehicles, unauthorised use of public land, overhanging foliage, illegal dumping, and littering. A total of 2,683 proactive engagements were conducted, targeting identified non-compliance issues before the need for escalation. Forty-nine municipal surveillance camera operations were undertaken, and 66 referred cases were escalated for investigation. A total of 453 infringement notices and 987 warning notices were issued, with 98 internal reviews undertaken on disputed or appealed infringement notices.

In 2020-21 the Licensing and Compliance unit generated \$3.456m in revenue from commercial public land use activities and administered 2,827 Public Land Use permits relating to event, construction, and nature strip permits. The unit also administered 201 long-term Public Land Licenses. Revenue generated from these activities has been re-invested in a regulatory capacity to provide enhanced regulatory services that improve the safety and amenity of our community in a financially sustainable manner.

Priorities for 2021-22

- > Further embed ongoing behavioural change in the community through fair, consistent, transparent, defensible, and non-prejudicial responses to non-compliant activities.
- > Strengthen regulatory capacity to meet emerging municipal regulatory and licensing priorities in a manner that aligns with the Accountability Commitment and community expectations.
- > Modernise systems and processes, enabling applicants to make online public land bookings and a case management system to promote workplace safety and assistance to officers in making informed evidence-based regulatory

Birrigai

Birrigai is a residential outdoor education centre located next to the Tidbinbilla Nature Reserve. It offers a range of programmed activities catering for local, regional, and interstate schools from preschool to Year 12.

Birrigai can also be accessed by a range of community and corporate groups for specialist team building and leadership programs, including

workshops, seminars, and special events. Visitors at Birrigai engage in outdoor, environmental, science, and Australian and Indigenous history focused education programs that support schools to deliver the Australian curriculum.

Throughout the year Birrigai has implemented a marketing strategy to target key customer groups. This included expanded use of social media channels to build awareness of the Birrigai brand and hosting a delegation of educational tour operators to expose them to the Birrigai site and services. During the year, Birrigai also gained 'Healthy Choice' accreditation from ACT Health for offering a healthy catering menu.

Ongoing uncertainty following COVID-19 has resulted in numerous schools being unable to visit Birrigai. In this context, Birrigai staff have developed the 'Birrigai @ School' program, where the Birrigai team visit ACT schools to provide a Birrigai experience. The program has been accessed by 17 Canberra schools with activities including cooking damper on campfires, grassland insect investigations, natural dye printmaking, Indigenous rope-making skills, and challenging ropes activities.

Priorities for 2021-22

- > Provide training for education team staff enabling them to gain updated qualifications as required by new Australian Adventure Activity Standards, and ACT Education Directorate mandatory practices.
- > Further enhance workplace safety by updating the Birrigai Bushfire Assessment Report and strengthening on-site telecommunications to mitigate the operational impact of natural disasters.

Yarralumla Nursery

Yarralumla Nursery is a wholesale nursery owned by the ACT Government specialising in growing high-quality cool climate plants that are suitable for Canberra and the surrounding region. The Nursery grows rare and endangered plants such as the Torrey pine to contribute to the sustainability of nationally and internationally vulnerable species.



Aerial view of Birrigai Outdoor School.

There is also a long-standing partnership with the Australian War Memorial to grow and distribute Lone Pine trees sourced from the grounds of the War Memorial in Canberra. The Yarralumla Nursery is also a horticultural advisor for plant biosecurity events.

In 2020-21, the nursery propagated and grew 262,734 trees, shrubs, and groundcovers for supply to local and regional government projects, commercial and domestic landscape projects, and retail and wholesale nurseries. 5,125 bare root trees were potted for future sales, as well as 5,290 trees dispatched as part of the [Urban Forest Strategy](#). Over 460,000 bulbs and 594,000 annuals were sorted and dispatched to Floriade and 150,000 bulbs and 150,000 annuals were distributed to Canberra community groups as part of the continuing Community Grants Program.

The Plant Issue Scheme recommenced in August 2020 following the scheme's suspension in early 2020 due to COVID-19. Originally introduced in 1930, the scheme helps new landowners to establish their gardens and beautify Canberra. Over 5,500 plants were allocated to owners of new residential blocks in greenfield developments in 2020-21.

Work commenced establishing a Ngunnawal Six Seasons Garden Bed. This was done in collaboration with Woden School students and local Indigenous businesses to provide ongoing opportunities for educational tours and traditional plant use workshops.

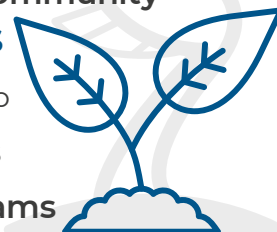
During the year, work commenced on the heritage windbreak's restoration along the nursery's northern boundary. The removal of dead trees and self-sown weed species was undertaken to rehabilitate the windbreak, returning it to the original 1914 tree planting plan of Thomas Charles George Weston.

Upgrades to the amenity building and boiler room also commenced in 2020-21. This will include improvements to bathroom and kitchen facilities that will enhance the appearance and health and safety for staff, visitors, and vulnerable persons who volunteer at the Nursery, including Koomari and students from Black Mountain School.



Aerial view of Yarralumla Nursery.

In 2020-21 **Yarralumla Nursery** provided the **ACT community** with over **5,500 plants** for new residential blocks, **300,000 bulbs & annuals** to community groups and **700 HRS** of **work experience** to students, volunteers & community programs



Work commenced on the water treatment plant, including installation of a new 150,000 litre water tank and delivery of a pump system to improve irrigation water quality and remove pathogens. These works will assist progress towards accreditation under the Nursery Industry Accreditation Scheme.

During 2020-21 the Nursery continued to provide employment and vocational training for people with a disability through a contract with Koomarri for the provision of horticultural services and Black Mountain School's vocational training program.

Yarralumla Nursery provided 700 hours of work experience to Canberra school students, volunteers, and other community programs, as well as return to work rehabilitation for injured ACT Government employees.

Priorities for 2021-22

- > Promote sustainable practices in the nursery by working with Industry bodies such as Greenlife Industry Australia to support important sustainability initiatives within the Horticultural Industry including polypropylene pot recycling.
- > Continue to develop and launch the Ngunnawal Six Seasons Garden Bed in collaboration with Woden School students and local Indigenous businesses to provide ongoing opportunities for educational tours and traditional plant use workshops.
- > Propagate and grow trees to meet the Government's commitment to plant 54,000 trees by 2023-24 as part of the [Urban Forest Strategy](#).
- > Continue works on the nursery treatment plant to progress towards accreditation under the Nursery Industry Accreditation Scheme.

Domestic Animal Services

Domestic Animal Services (DAS) provides animal control services to the Canberra community. These services include dog registration, nuisance and attack investigations, collection of stray and roaming dogs, community education about responsible pet ownership, and the Symonston dog shelter's management.

During 2020-21, DAS:

- > continued to build a positive presence in the community by delivering the Responsible Pet Ownership initiative and participating in community events such as the Oaks Estate Community BBQ and Pooch Affair – A Doggie Day Out,
- > delivered the DAS Education Strategy by visiting primary schools and educating young people on responsible pet ownership and animal welfare;
- > supported the delivery of Annual Dog Registration in the ACT; and
- > constructed new facilities including 12 kennels for dangerous dogs providing a safer environment for DAS staff and the animals.

Priorities for 2021-22

- > Continue to deliver animal registration programs, linking these processes to the ACT Government Digital Account for more efficient and effective identification of roaming or lost animals.

- > Increase the number of proactive patrols by DAS rangers to focus on the education of pet owners and their responsibilities under Domestic Animals and Animal Welfare legislation.
- > Enabling delivery of the [ACT Cat Plan 2021-2031](#) through the roll-out of legislation to enable Cat Registration and Cat Containment to all Canberra suburbs.
- > Deliver a Pet Business Licensing scheme to support new Animal Welfare Legislation.

Output 2.5 Capital Linen Service

Capital Linen Service provides a managed linen service to ACT Health and the commercial sector. The service has continued to observe strict COVID-19 safety protocols, introducing several structural and procedural changes to protect staff and safeguard the supply of clean linen to ACT Health.

In 2020-21 Capital Linen Service laundered and delivered more than 13 million items of linen weighing 6,115 tonnes. Capital Linen Services delivered 99.7 per cent of orders on-time and in-full compared to its target of 98.6 per cent.

The 2021 customer satisfaction survey achieved a net promoter score of 74. This score is a customer loyalty measurement being a net of promoter and detractor advocate scores. Organisations with scores over 70 are considered to be a “world class”

In focus: Volunteer dog walkers' program

Having commenced in 2004, the volunteer dog walkers' program has provided exercise, socialisation, and enrichment for dogs at the Symonston shelter. Volunteers have helped by improving the quality of life for dogs, enhancing the scope for rehoming.

Training for a new program commenced in October 2020 with an initial 17 volunteers. The program was reimagined using design thinking principles and practice including researching the approach of other facilities, mapping state processes, and co-designing the new program with staff and volunteers. Initial ideas and activities were tested and refined before the launch and Volunteering ACT was consulted to ensure best practice volunteer guidelines were incorporated.

The program has been relaunched with new processes including:

- > enhanced dog selection and handover procedures;
- > succinct volunteer role statements;
- > online application and selection portal, and
- > a new volunteer training program.

In March 2021 DAS undertook the second intake of volunteers into the new program. Interest in the program has exceeded expectations and helped expand volunteer numbers to 40. The volunteers have exercised 830 dogs over the last six months.



customer centric, with customers that love and advocate for the brand.

The Capital Linen Service capital works program has enabled the service to improve workplace safety, address obsolescence issues and provide opportunities for productivity improvements.

Completion of upgrades works to a 20 year old monorail system, used to move washed linen to folding and ironing areas for finishing, packing, and transportation has provided significant additional flexibility. This has allowed the service to respond quickly and effectively to changes in customer demand. The upgrade has also delivered improvements to safety processes with the installation of safety gates to restrict access to high-risk areas.

The installation of a new 80 bag clean storage rail has allowed the clean stock to be recirculated and stored. This means linen can be sent to production finishing based on requirements allowing for flexibility in the type of linen that can be sent or



Over **13 million** items of linen with a combined weight of **6,155 tonnes** was **laundered & delivered**

Achieved a world world class **net promoter score** of **74** on their **customer satisfaction survey**. The graphic includes three smiley face icons representing customer satisfaction.

stored. This provides for a consistent flow of work to ironing lines and created additional washing time hours as the linen can now be stored.

Priorities for 2021-22:

- > Complete the implementation of the Salesforce data management system and customer access portal and the Kronos time and attendance and rostering system.
- > Extend the soiled linen sorting system under the Capital Expenditure Program.
- > Implement a Production Data System to track production output and impact of productivity improvement measures.

Community Engagement and Support

Urban Forest Strategy 2020-2045

In July 2020 the draft [Urban Forest Strategy 2020-2045](#) was released for community feedback. The community was invited to provide feedback on the Strategy's vision, key objectives, and the actions necessary to ensure the urban forest prospers. Feedback was sought online through the YourSay website.

In total, 199 surveys were completed, and 48 written submissions were received from volunteer and Landcare groups, community councils and resident associations, environmental groups, universities, and industry associations.

Over 75 per cent of survey respondents were extremely or very supportive of the draft Strategy, over 92 per cent agreed with the Strategy's vision statement and over 97 per cent agreed with the Strategy's six objectives.

Respondents highlighted the need for greater detail on the Strategy's implementation, the provision of ongoing resources to achieve Strategy objectives, the importance of retaining existing trees, and successional planning for future canopy cover.

Consultation closed in September 2020 and all comments were considered in finalising the [Urban Forest Strategy 2020-2045](#). The Strategy and consultation report was released in March 2021.

Planting More Trees

Across the ACT over 54,000 trees will be planted by 2023-24 to enhance our urban forest. In November 2019, the community was invited to commence identification of potential planting locations using a drop pin on an interactive map. Planting locations were focused on areas with low canopy cover or where existing trees are ageing or dying.

As of 30 June 2021, approximately 3,000 suggested planting locations had been identified by the public. Over 3,750 trees were planted in Autumn 2021, with over 920 sites planted from suggestions received and a further 400 sites planted from Fix My Street requests.

Pilot Street Forestry Program

In April 2021 a new pilot Street Forestry Program was launched, partnering with local communities to help grow and maintain the urban forest.

The program aimed to assess if a targeted engagement involving education on the social, economic, and environmental value of street trees might result in better tree health outcomes in the future.

Streets in Bonython, Florey, Kambah, Mawson, Ngunnawal, and Scullin were selected to participate in the program as they were identified as being vulnerable to heat due to low canopy cover. Residents in selected streets were engaged in a variety of ways including a dedicated program webpage, short surveys, pop-up information stalls, a webinar, and a voting process on tree species selection.

During the engagement process, 1,163 residents in the selected streets received a letter, engagement survey, vote card, and follow-up evaluation survey. A total of 137 residents completed the engagement survey with 191 street tree vote cards received. Forty-six residents attended a pop-up information stand, eight residents attended the Street Forestry Program webinar, and 20 residents completed the follow-up evaluation survey.

Key feedback received included:

- > a general appreciation of trees by residents and the value they add to the local neighbourhood;
- > an understanding by residents that trees are highly beneficial for increasing shade and cooling, reducing carbon emissions, and adding to the attractiveness of suburbs;
- > over 60 per cent of survey respondents believing that street trees are very important for improving a suburb's resilience to climate change; and
- > the most common methods used by residents to care for their street trees were watering, pruning, and weeding.

Feedback will be used to help inform future engagement with the community on tree planting.

Yerrabi Pond Recreation Areas

Yerrabi Pond in Gungahlin is a popular location for the community to exercise and enjoy social events. During April and May 2021, the community was invited to provide feedback on how they use the Yerrabi Pond recreation areas and what future improvements they would like to see. Feedback was invited through the YourSay website and at three pop-up sessions.

Online surveys were completed by 976 individuals with a further 11 written submissions received.

Improvements around Yerrabi Pond prioritised by respondents included:

- > more facilities such as shelters, toilets, and bins;
- > improved general maintenance including weeding and pond cleaning;
- > improved public lighting; and
- > more opportunities to sit, socialise and dine outdoors including places for a pop-up coffee shop or cafe.

Feedback will be considered in identifying future improvements to Yerrabi Pond Recreation Areas.

Shopping Centre Upgrades

Designs for upgrades at Campbell, Kaleen, and Duffy shopping centres were released in March 2021 for community feedback. The engagement was part of a commitment to improve the city's look and feel, upgrade safety and accessibility, and ensure local shops are vibrant places the community can enjoy.

For the Campbell shopping centre, 176 surveys and 12 written submissions were received with the top five upgrades most important to respondents being; improved parking, safety, footpath and cycle connectivity, landscaping improvements, and lighting.

For the Duffy shopping centre, 153 surveys and 10 written submissions were received with the top five upgrades most important to respondents being; landscaping improvements, more shade areas, seating, safety, and play space provision.

For the Kaleen shopping centre, 181 surveys and five written submissions were completed with the top five upgrades most important to the respondents being parking provision, safety, public lighting, footpaths and cycle connectivity, and shade areas.

In addition to online feedback, face-to-face feedback was shared during pop-up sessions at each shopping centre. Feedback was also received from; Campbell Community Association, Woden and Weston Creek Community Councils, and Pedal Power.

Feedback will be used to inform the final scheme designs.

Southern Memorial Park

In April 2021 the community was invited to provide feedback on the key design aspects that should be prioritised in the design and naming of various spaces within the proposed Southern Memorial Park. Feedback was invited through the YourSay website and at six pop-up sessions held in Tuggeranong, Woden, and Weston Creek.

There were 3,442 visits to the YourSay page for the engagement, with 122 surveys completed and 11 written submissions made.

Key feedback received included:

- > culturally significant plant species being ranked highest for naming purposes; and
- > well-maintained landscaping, easy car parking, and good pathways being key to a high-quality visitor experience.

All feedback will be considered in future design stages for the Southern Memorial Park.

Single-Use Plastics

The first tranche of items banned under the *Plastic Reduction Act 2021 (the Act)* will commence on 1 July 2021. This will prohibit the sale, supply, and distribution of single-use plastic cutlery and single-use plastic drink stirrers, and polystyrene food and beverage serving containers. Significant engagement in the lead-up to the ban was undertaken with the business community and broader public between April and June 2021.

TCCS worked with the National Retail Association (NRA) to assist with the engagement and directly engaged with 502 retail and hospitality businesses in Canberra's retail precincts and suburban hubs. ACT NoWaste staff also undertook 398 additional engagements with businesses.

An information resource pack was distributed during these visits. This included a customer facing poster, information brochure, a fact sheet on banned items and alternatives, customer facing table toppers, and shelf talkers for retailers to help inform their customers. A dedicated hotline was also set up to provide businesses with support and advice on their transition.

To engage the broader community, 10 video case studies were created and rolled out across social media channels. These videos highlighted the stories of local businesses who proactively made the switch to alternative products. By the end of 2020-21, the videos had achieved a collective reach of 250,000+ people.

Over 2,000 information emails were sent to peak bodies and community groups along with awareness articles for *Our Canberra* and business specific electronic newsletters.

Feedback from the business sector and broader community had been positive. Strong support for reducing plastic waste came from the businesses visited during the engagement period. The broader community has also embraced changes to

sustainable alternatives such as wooden cutlery and hard cardboard containers.

Work will continue to educate and support businesses who have not transitioned, as well as to progress the implementation of Tranche 2 items in 2022.

Sulwood Drive Improvements

In June 2021 the community was invited to provide feedback on designs for a new shared path on the southern side of Sulwood Drive and traffic lights at the Mannheim Street intersection. Feedback was invited via email and at a pop-up session at Mount Taylor.

Thirty-five written submissions were received with key feedback focused on a need for clarity on the shared path's location and that consideration be given for the new footpath to be constructed on the northern side of Sulwood Drive.

An engagement report will be drafted for release to the community before construction works commence.

Heysen Street Stage 3

In April 2021 a letterbox drop and door knocking engagement was carried out among 23 impacted properties along Devonport Street concerning plans to complete an off-road cycle path along Devonport Street between the Lyons shops and Derwent Street.

Of the 23 properties, three either did not support or raised concerns about the cycle path.

Key feedback included:

- > safety concerns, primarily around entering and exiting driveways;
- > safety concerns for traffic travelling along Devonport Street;
- > safety concerns for pedestrians and cyclists crossing from one side of the road to the other; and
- > loss of verge parking.

All feedback was considered in finalising the designs in preparation for construction.

Pathway Improvements – Carnegie Street, Narrabundah

As part of the fast-track program launched in 2020, a new footpath was proposed on the southern verge of Carnegie Street between Finnis Crescent and Walker Crescent, Narrabundah.

Following investigations prior to construction, it was identified that building a new path on the southern verge would require relocating major utilities and removal of trees, shrubs, residential garden beds, and retaining walls – changing the way residents currently use the verge.

To determine the importance of this project, a survey was distributed to residents in Carnegie Street to get their feedback. The survey was distributed in August 2020 resulting in 15 respondents not supporting the and eight respondents supporting construction. One respondent was neither for nor against the project. Based on this response, TCCS did not proceed with construction.

Community Support Initiatives: Grants and Sponsorship

The programs supported by TCCS during 2020-21 are set out in the table below:

Table 3: Programs supported by TCCS during 2020-21.

| Recipient | Project Purpose/Summary | Amount (\$) |
|-------------------------------|--|-------------|
| DonateLife Week 2020 | In-house promotion of the organ donation campaign, DonateLife Week 2020 across Transport Canberra communications channels. | No cost |
| Mental Health Month | Bus advertising was provided to raise community awareness of Mental Health Month. | 1,790.00 |
| CIT Bruce Campus | Anti-graffiti coating was applied to artwork at two concrete bus shelters as part of a community development program. | 1,260.00 |
| National Missing Persons Week | Posters displayed to promote National Missing Person Week at the City Bus Interchange. | No cost |
| BuoyedUp Programme | Charter bus services for disadvantaged children from various schools to Canberra Yacht Club. | 3,584.70 |
| Project Co. Belco Arts | Support for festival advertising on Light Rail Vehicles ceiling panels. | 645.00 |
| Thoroughbred Park | Support of 'free travel' provided by Transport Canberra for Thoroughbred Park ticket holders. | 900.00 |

Fraud Prevention

The [ACTPS Integrity Policy](#) sets the Whole of Government direction on the promotion of integrity in the ACTPS. The [Public Sector Management Standards 2016](#) detail the formal responsibilities of agencies to promote integrity and control fraud and corruption.

Fraud control arrangements in TCCS during 2020-21 were overseen by the Senior Executive Responsible for Business Integrity Risk (SERBIR) and monitored by the Internal Audit Committee. The SERBIR was supported by an advisory panel consisting of the Executive Branch Manager, People and Capability, the Executive Branch Manager, Legal and Contracts, and the Agency Security Advisor. The advisory panel met regularly to examine mechanisms for prevention, detection, and reporting. Suspected fraud and corruption cases were monitored and actioned by the advisory panel.

The [TCCS Fraud and Corruption Prevention Plan](#) was updated in June 2020. The ACT Integrity Commission and the TCCS Internal Audit Committee were consulted during the review and their recommendations were incorporated into the final plan. The plan provides a framework aimed at enhancing integrity, reducing the risk of fraud and corruption, and assisting our staff to make decisions in the reporting of fraud, corruption, and other ethical matters.

Table 4: Outcomes of fraudulent activity allegations reported through the SERBIR during 2020-21.

| Allegation | Outcome |
|--|---|
| That a staff member accessed a database and manipulated information without authorisation. | Allegation substantiated and the staff member was demoted and received a written admonishment. |
| That a staff member accessed a database and manipulated information without authorisation. | No finding of fraud or misconduct was substantiated. |
| Two staff members accepted a minor cash incentive to perform non-government works. | Allegations substantiated with both staff members issued a written admonishment and financial fine for the amount received. Both staff members also had to complete refresher training in Fraud and Ethics Awareness. |
| That a staff member submitted fraudulent medical certificates. | Allegation substantiated with the employee receiving a summary dismissal. |

Prevention and detection measures included:

- > raising the general awareness of staff by participating in the Directorate induction program and targeted training for areas identified as being high risk;
- > promoting ethical and proper conduct through all staff email updates and on the TCCS intranet;
- > conducting a comprehensive internal audit program to address issues of business integrity risk;
- > use of interactive eLearning online modules; and
- > risk assessments based on formal and informal information sources.

Fraud and Ethics Awareness training has been incorporated into the TCCS Induction, Transport Canberra Bus Driver Induction, and Transport Canberra Driver Continuity training programs. In 2020-21 a total of 797 staff participated in Fraud and Ethics Awareness training which focused on identifying and reporting suspected fraud and corruption. An interactive, eLearning module of the Fraud and Ethics awareness training package has been completed by 130 staff.

During 2020-21 there were four cases of suspected fraudulent activity reported through to the SERBIR.

All cases were reviewed and resulted in the following outcomes:

Freedom of Information Freedom of Information Act 2016

The [Freedom of Information Act 2016](#) (FOI Act) provides a right of access to government information unless that information is, on balance, contrary to the public interest. The FOI Act ensures that government information is available to everyone, to the fullest extent possible, and provides for two types of applications that can be made to access government information.

Refer to the [Freedom of Information Guidance](#) to learn more about making an application to access government information held by TCCS.

TCCS maintains a [Freedom of Information Disclosure Log](#) of decisions on access applications, with the exclusion of applications for personal information. Applicant's personal information is removed from documents before publication.

The following information relates to applications made to the Directorate in 2020-2021.

Open Access

TCCS continues to comply with the Open Access Information requirements of Part 4 of the FOI Act by ensuring that the following information is proactively published online:

- > functional information about TCCS including its [structure](#);
- > how [applications](#) can be made to access government information;
- > decisions made about access applications, see the [Freedom of Information Disclosure Log](#); and
- > information about boards and other bodies established by the agency.

As TCCS is an operations agency with service delivery as its primary function, policy documents as defined under the FOI Act are proactively published where such documents exist. Publication is integrated into the information management system and in this regard, no specific assessment of publication is made except where there is a reason identified not to publish. In 2020-21, no decisions were made not to publish Open Access Information.

In relation to other information covered under section 23 of the FOI Act, the following applies:

- > information about TCCS contained in [documents tabled](#) in the Legislative Assembly are published by the Assembly;
- > budgetary papers are published on the [ACT Treasury](#) website; and
- > information about grants administered by TCCS is available on the [City and Territory Services Grants](#) webpage.

Amendment to personal information

No applications for amendment of personal information under the FOI Act were received during 2020-21.

Access Applications

Table 5: FOI access applications

| Description | Number of Applications |
|--|------------------------|
| Applications processed in 2020-21 | 133 |
| Unresolved applications from 2019-20 | 12 |
| Applications received in 2020-21 | 121 |
| Applications resolved in 2020-21 | 118 |
| Applications to be resolved in 2021-22 | 15 |

Table 6: Outcome of FOI access applications

| Outcome | Number of Applications |
|--|------------------------|
| Full access | 19 |
| Partial access | 52 |
| Information not held | 5 |
| Refused, access contrary to public interest | 9 |
| Access applications not dealt with under s34(6)(b) | 1 |
| Transferred in full to another directorate | 18 |
| Withdrawn | 10 |
| Resolved outside FOI | 4 |
| Total decisions | 118 |

The Directorate processed 133 applications in 2020-21; 12 of these applications were carried over as unresolved from 2019-20 and 15 will be decided in 2021-22. Of the 121 applications received in 2020-21, 72 were received from members of the public, 3 from journalists, 13 from ACT Legislative Assembly members and 33 were made by other parties such as community groups and solicitors.

In deciding on an access application an Information Officer must determine, on balance, where the public interest lies in the disclosure of the information. After applying this test:

- > 19 applicants were provided with full access to the government information;
- > 52 applicants were provided with partial access to the government information; and
- > nine applicants were refused access as the information was contrary to the public interest to disclose.

In five instances it was determined that TCCS did not hold the requested information. Of the remaining applications resolved this financial year:

- > 18 applications were transferred to another ACT Government Directorate.
- > 10 applications were withdrawn;
- > four applications were withdrawn but resolved outside of the FOI process; and
- > one application was not dealt with, as the applicant did not clarify the scope of their request within the required period.

Timeliness

The FOI Act requires decisions to be made on access applications within 20 working days unless the timeframe is extended as a result of third-party consultation or with the applicant's agreement. In 2020-21:

- > one was decided in more than 60 days.

[Table 7](#) provides a breakdown of the number of working days taken to decide, per access application.

There were no fees charged for the processing of access applications.

Two applications were made to the ACT Ombudsman in relation to decisions made on access applications by TCCS in 2020-21.

Table 8: Review of decisions on FOI access applications.

| ACT Ombudsman Reference | TCCS Reference | Outcome |
|-------------------------|----------------|--|
| AFOI-RR/20/10036 | 20-035 | TCCS decision varied by the ACT Ombudsman. |
| AFOI-RR/21/10015 | 21-018 | Decision is yet to be made. |

- Table 7: FOI processing timeframes

Internal Audit

largely a management-initiated program, revised and executed according to emerging priorities and strategic and operational risk. It ensures a program of continuous improvement and that consideration is given to lessons learnt. The plan is also informed by an independent assurance map, validating and prioritising internal audits based on risk and governance models.

TCCS utilises a Whole of Government internal audit services panel to deliver internal audit activities. During 2020-21 TCCS utilised a primary internal audit provider to support the efficient delivery of audit services while ensuring consistency in approach and a broader understanding of the TCCS operating environment. Six internal audits were presented to the Audit Committee for consideration

in 2020-21. These reviews assessed performance against legislative and regulatory compliance, project implementation, workplace health and safety management, and management of leave and work entitlements.

The Audit Committee monitors progress on all audit recommendations and has responsibility for ensuring the implementation of recommendations. The Audit Committee supported the closure of 55 recommendations within the 2020-21 reporting period.

In addition to the Strategic Internal Audit Plan, the Annual Assurance Program is also supported by an Internal Compliance Program. Three internal compliance review reports were presented to the Audit Committee for consideration in 2020-21.

The Audit Committee also monitored performance audits conducted by the ACT Auditor-General. One report was presented to the Audit Committee relating to emissions reduction activities, identifying areas for improvement in planning, implementation, and reporting.

The Audit Committee consists of an Independent Chair, two Independent external members, one ACT government executive member, and one TCCS executive member. The committee is assisted by three advisors – the TCCS Chief Audit Executive, the Chief Financial Officer, and an Auditor-General's representative.

The Audit Committee met five times during 2020-21 to discuss performance and compliance audits and once to discuss financial statements. The external members on the Audit Committee are engaged under contract and paid a fee based on five meetings per annum.

Table 9: TCCS Audit Committee Membership

| Name of Member | Position | Meetings attended |
|-----------------|---------------------------------|-------------------|
| Carol Lilley | Independent External Chair | 5 |
| Ken Moore | Independent External Member | 5 |
| Maria Storti | Independent External Member | 5 |
| Maira Crowhurst | ACT Government Executive Member | 4 |
| Ian McGlenn | TCCS Executive Staff Member | 5 |

Risk Management

The directorate seeks to facilitate a strong risk management mindset amongst all staff, where risk management is discussed regularly and integrated into daily work activities. The TCCS Risk Management Framework and Plan is based on the Australian Standard ISO 31000:2018 Risk

Management – Principles and Guidelines standard and the ACT Government Risk Management Policy 2019.

The TCCS Executive Board is responsible for identifying and managing strategic risks related to organisational outcomes and impacts. The Board also identifies and evaluates strategic risks as a part of the strategic planning process. The Executive Board develops, owns, and manages the TCCS strategic risk profile, defining organisational tolerance to risk and identifying strategic risks which could impact the delivery of strategic and organisational objectives.

Effective risk management is essential for the development and delivery of quality services. To make sure all known risks impacting TCCS key deliverables are assessed commonly and systematically, an Enterprise Risk Management System is used for recording, monitoring and reviewing risks.

Onboarding and introductory training for the risk management system is ongoing and all business areas are supported to meet their risk management obligations through the provision of risk management advice, assistance, and ERMS support provided by the Governance team.

Risk Management training opportunities have been made available to support business areas including two eLearning packages launched in December 2020. The ACT Insurance Authority (ACTIA) led these virtual risk management workshops and face-to-face risk profile workshops. A total of 36 employees completed the eLearning training modules, 70 employees attended virtual risk managing workshops, and a total of 23 face-to-face risk workshops were delivered by the TCCS Risk Management Team.

Continuing to grow the risk maturity within the directorate is an ongoing focus. The Risk Management Framework and Plan provide employees with the foundation and principles of risk management processes to ensure a consistent, effective, and efficient approach to the identification, treatment, and management of risk throughout the organisation.

The process for reviewing and identification of emerging risks is undertaken through an ongoing risk monitoring cycle. Business units can review and identify risks through a formal risk meeting or add risk as a standing agenda item to branch meetings or conduct informal reviews. All actions and reviews are recorded on the risk management system.

Scrutiny

TCCS is responsible for implementing a range of undertakings made in reports produced by reporting entities charged with responsibility

for scrutiny, including the Auditor-General, ACT Ombudsman, and Legislative Assembly Committees. Relevant recommendations and the associated response and status are set out in the following tables.

Legislative Assembly Report No. 10 – Standing Committee on Environment and Transport and City Services – Inquiry into Nature in Our City

Recommendation

Government response

Recommendation 22

The Committee recommends that the ACT Government review the Tree Protection Act 2005 to ensure best outcomes are being achieved.

Agreed

The *Tree Protection Act 2005* is currently being reviewed to ensure best outcomes are being achieved.

Recommendation 23

The Committee recommends that the ACT Government prioritise the planting of tree species that are as adaptable to a changing climate as possible.

Agreed

In progress - MIS 25, noting that adaptability is one important consideration among many others in species selection. The MIS 25 lists a wide variety of tree species with a diversity of traits and characteristics. This report ranks the MIS 25 species according to their climate suitability and capacity as street trees, and advises on species that are more suitable in certain scenarios.

Recommendation 24

The Committee recommends that the ACT Government review the viability and appropriateness of tree species that are less adaptable to climate change.

Agreed

In progress – see note for Recommendation 23 above.

Legislative Assembly Report No. 11 Standing Committee on Environment and Transport and City Services – Inquiry into the supply of water to the Tharwa community

Recommendation

Government response

Recommendation 1

The Committee recommends, if the ACT Government proceeds with the non-potable water supply infrastructure for firefighting project, that the Environment, Planning and Sustainable Development Directorate and Transport Canberra and City Services conduct a co-design consultation process with the Tharwa community and other stakeholders, including firefighting agencies, to inform a new development application and any other plans for the construction, giving consideration to:

Agreed

The Government will continue to work with the Tharwa community and other stakeholders, including firefighting agencies, to ensure the supply of non-potable water for firefighting purposes. To this end, the Transport Canberra and City Services Directorate will undertake further consultation with the Tharwa community and other key stakeholders regarding the development of non-potable water supply infrastructure for firefighting purposes. Due consideration would be given to community values, particularly to retaining and enhancing the existing village character articulated in the Tharwa Village Plan, however, these will need to be balanced against the operational and maintenance requirements of the firefighting infrastructure.

- > the impact of installing water supply infrastructure on North Street, particularly the impact on traffic, pedestrian safety, the pre-school and the village's overarching character and aesthetical value (as per the Tharwa Village Plan September 2018);
- > the feasibility of buying, leasing or entering into a licence agreement to acquire or access a portion of land where the existing poly-plastic tanks are located (uphill from North Street) as a possible site for the development and maintenance of new non-potable water supply infrastructure;
- > the operational requirements; and
- > bushfire preparedness

Standing Committee on Planning, Transport and City Services - Estimates 2020-21 and 2019-20 Annual Report

Recommendation

Government response

Recommendation 8

The Committee recommends that the ACT Government acquire suitable equipment so that it has the capability to assess cycle and pedestrian path surfaces across the network.

Agreed in principle

ACT Government officers currently inspect the community path network moving around by foot, undertaking visual condition assessments, using the ArcGIS collector app to manually enter the visual condition and defect data, including photographs.

The use of an e-bike to improve an inspector's efficient movement is currently being trialled as part of the Community Paths Audit project. Based on the findings of this trial, Roads ACT will make recommendations for changes to the planned path inspection program, subject to other considerations such as safety.

The intention is to measure if the productivity of a path inspector can be improved with the use of an e-bike as transport. Inspectors will still use their current method (ArcGIS collector app) to manually enter visual condition and defect data, including photographs.

Options for attaching equipment or assessment devices to the e-bikes (or other transport means) to assist in computerised condition assessments could be explored in future subject to suitable available technology being able to assess the condition of various path surfaces, namely asphalt, concrete, pavers, or granite.

Recommendation 9

The Committee recommends that the ACT Government set a target of 90 per cent of bike paths and footpaths being maintained in good condition, as is done for roads.

Noted

Roads ACT supports development of a strategic indicator for the condition of bike paths and footpaths. Recommendations regarding future path condition indicators or targets will be made in the context of a planned review of indicators during 2021-22.

Recommendation 11

The Committee recommends that when reporting on waste and recycling, the ACT Government quote figures for tonnes of waste recovered and waste sent to landfill.

Agreed in principle

ACT NoWaste will continue to provide reliable waste and recycling data that is relevant to the audience and the reporting context.

Recommendation 12

The Committee recommends that the ACT Government use existing surveys and/or other existing means to determine what customers would have done with the material if they had not used the Bulky Waste service and whether the service is increasing waste to landfill.

Noted

It is not possible using existing surveys or other existing means to determine an answer for this question, noting the difficulties in establishing a valid methodology and approach using pre-existing data.

To date, the bulky waste service has recorded a 41 per cent recovery rate, meaning a significant share of collected materials are being diverted from landfill and recycled or re-purposed through partnerships with organisations like Vinnies and Givit.

Recommendation 13

The Committee recommends that Transport Canberra formulate and adopt a policy on hiring further female bus drivers, which includes measures to ensure accessibility of these positions to women, and clear targets.

Agreed

Transport Canberra is actively discussing possible options to enhance access to and provide opportunities for attracting and retaining more female bus drivers. This includes consideration of the relevant recruitment channels, community stakeholder groups, employment programs and workplace requirements, as well as the efficacy of identified positions, programs and targets and related policy. These investigations and discussions will inform future workforce planning and strategy going forward.

Recommendation 14

The Committee recommends that Transport Canberra conduct surveys with women who are bus drivers and women who are not yet in that workforce to find out the barriers to entry.

Agreed

As part of the above investigations and discussions, Transport Canberra expect to work with relevant Government and non-government stakeholders and existing staff to understand the key barriers to entry and the options which might improve access and uptake of bus driver positions by women.

Recommendation 15

The Committee recommends that the ACT Government investigate a convenient on-demand app to book on-demand Flexibus services alongside options to call or book online.

Agreed

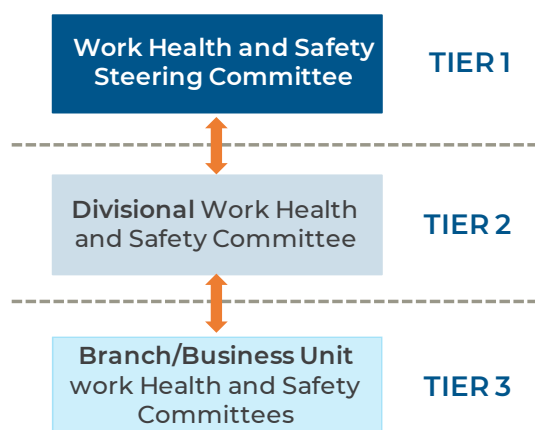
Transport Canberra will be commencing a working group with ACTCOSS and the Community Services Directorate to review and identify the optimal approach to providing flexible and on-demand services to meet the future needs of the community, particularly for disadvantaged and vulnerable user groups. This work will inform the development of future pilot service initiatives. Transport Canberra is currently considering the role that on-demand apps can play in relation to flexible transport as well as in the design of the Transport Canberra Next Generation Ticketing system.

Work Health and Safety

The safety and wellbeing of staff continues to be a priority and core value for the directorate and is managed under the statutory provisions of the [Work Health and Safety Act 2011](#). Our primary focus has been on developing a dedicated TCCS Work Health and Safety Management System to support our diverse working environment and to build a workforce that is mindful and committed to health and safety.

TCCS operates under a tiered Health and Safety Committee structure consisting of the Work Health and Safety Steering Committee, Divisional WHS Peak Committees, and Branch/Business unit WHS Committees. The WHS Steering Committee meets quarterly and is represented by the Director-General, Deputy Director-Generals, Chief Operating Officer, Executive Group Managers, Executive Branch Managers, Directors, and Health and Safety Representatives across the organisation. Throughout TCCS there are 79 Health and Safety Representative positions.

Figure 13. TCCS Work, Health and Safety consultative structure



Safety initiatives included:

- > undertaking a range of Safe Work Month activities including a Health and Safety Representatives forum providing opportunities for upskilling, networking, and information sharing;
- > assisted operational and front-line work areas to implement targeted and fit for purpose hazard identification and workplace inspection programs;
- > strengthened the procurement processes in operational areas resulting in safer tools and equipment being purchased for use in tree management;
- > provided advice and support at Birrigai for a water treatment facility project to deliver better quality drinking water at the site;

- > enhanced the Safety Management System further, by providing staff with advice on roles and responsibilities in a Work Health and Safety context, training, and guidance for working in extreme temperatures; and
- > facilitated strategies for COVID-19 safe work practices, enabling the Directorate to transition from working from home arrangements to hybrid working arrangements.

Health and Wellbeing initiatives included:

- > delivery of the 2021 Influenza Vaccination Program, with 600 employees being vaccinated;
- > participation in R U OK Day with lunchtime events held at depots to raise awareness of mental health issues and the ways staff can help colleagues experiencing mental health problems; and
- > engaged guest speakers during Safe Work Month to provide insight and skills to support the mental health of staff.

Accident incident reporting

During 2020-21 there were 1,047 workplace accidents or incidents reported across the Directorate. Of those, 29 required notification to WorkSafe ACT under Part 3, Section 38 of the [Work Health and Safety Act 2011](#). TCCS performance against the [Australian Work Health and Safety Strategy 2012-22](#) targets are reported in the following tables.

Results against targets

Targets were not achieved for 2020-21, primarily attributed to COVID-19 related disruptions. There were a higher number of claims from staff working in key frontline service areas which is also reflected in the Whole of Government claim rates. A limited increase in the number of 2020-21 claims can also be attributed to a delay in the reporting of claims in the last 3 months in 2019-20 which came through in the first three months in 2020-21.

Improvement Notices

During 2020-21, two Improvement Notices have been received from Worksafe ACT.

Capital Linen received an Improvement Notice related to the detailing and storage of hazardous chemicals. This resulted in the development of a manifest detailing the quantity, classification and location of hazardous chemicals including a scale site plan.

City Presentation received an Improvement Notice related to the health and safety of workers, and a failure to provide appropriate information, training, and instruction to protect the health and safety of workers. This resulted in development and consultation on 23 different standard operating procedures and risk assessments. Staff have received training and the new operating procedures and risk assessments have been implemented at City Presentation depots.

Prohibition Notices

Place Management received a Prohibition Notice related to weed spraying and a failure to ensure health and safety of workers. The Prohibition Notice specified that staff must not conduct weed spraying activities within 3 metres of a road edge without appropriate Temporary Traffic Management (TTM) in place. TTM plans were subsequently reviewed for weed spraying within 3 metres of the road edge.

Table 10: Target 1 - reduce the incidence rate of claims resulting in one or more weeks off work by at least 30 percent.

| Financial year | TCCS | | | ACTPS | | |
|------------------|----------------------|--------------------------|--------------|----------------------|--------------------------|-------------|
| | No. new 5-day claims | Rate per 1,000 employees | Target | No. new 5-day claims | Rate per 1,000 employees | Target |
| 2013 - 14 | 48 | 26.80 | 25.61 | 257 | 12.20 | 11.70 |
| 2014 - 15 | 41 | 23.19 | 24.79 | 229 | 10.49 | 11.33 |
| 2015 - 16 | 26 | 14.42 | 23.97 | 205 | 9.36 | 10.96 |
| 2016 - 17 | 40 | 24.35 | 23.16 | 243 | 10.91 | 10.58 |
| 2017 - 18 | 33 | 19.82 | 22.34 | 202 | 8.93 | 10.21 |
| 2018 - 19 | 33 | 17.68 | 21.52 | 201 | 8.50 | 9.84 |
| 2019 - 20 | 33 | 17.98 | 21.12 | 231 | 9.32 | 9.46 |
| 2020 - 21 | 52 | 24.53 | 20.99 | 325 | 12.46 | 9.09 |

Table 11: Target 2 - reduce the incidence rate of claims for musculoskeletal disorders (MSD) resulting in one or more weeks off work by at least 30 percent.

| Financial year | TCCS | | | ACTPS | | |
|------------------|--------------------------|--------------------------|--------------|--------------------------|--------------------------|-------------|
| | No. new 5-day MSD claims | Rate per 1,000 employees | Target | No. new 5-day MSD claims | Rate per 1,000 employees | Target |
| 2013 - 14 | 31 | 17.31 | 18.49 | 175 | 8.31 | 8.03 |
| 2014 - 15 | 32 | 18.10 | 17.90 | 144 | 6.63 | 7.78 |
| 2015 - 16 | 21 | 11.65 | 17.31 | 146 | 6.67 | 7.52 |
| 2016 - 17 | 22 | 13.39 | 16.72 | 150 | 6.72 | 7.26 |
| 2017 - 18 | 23 | 13.81 | 16.13 | 128 | 5.66 | 7.01 |
| 2018 - 19 | 18 | 9.64 | 15.54 | 102 | 4.31 | 6.75 |
| 2019 - 20 | 18 | 9.81 | 15.25 | 126 | 5.09 | 6.49 |
| 2020 - 21 | 29 | 13.68 | 16.09 | 194 | 7.44 | 6.24 |

Human Resource Management

TCCS employment programs are strategically designed to attract, build, and retain a competent, resilient, and diverse workforce to deliver a wide range of services. To enable this, the directorate is focused on building a positive, safe, and inclusive workplace culture aligned with the TCCS values. To deliver and embed a values-based culture, TCCS has continued to implement its [People Strategy 2019-2023](#). The directorate strives to build capacity and capability across the whole workforce and be recognised as an employer of choice.

In September 2020, an Employee Engagement Survey commenced. The Survey response rate of 77 per cent provided some reliable data and insights collected from over 1,600 completed surveys.

Highlights have included:

- > achieving an improvement in the overall culture rating from a culture of reaction in 2017 to a culture of consolidation in 2020, reflecting greater employee engagement;
- > a significant increase in the number of respondents who believe TCCS is a truly great place to work, up from 13 per cent in 2018 to 68 per cent in 2020;
- > implementation of post survey action planning across TCCS in response to the results; and
- > business units with lower levels of engagement result undertaking intensive workshops and facilitated sessions to address workforce specific actions.

A 'pulse survey' will be undertaken in 2021-22 to measure progress following the action planning undertaken by business units.

People Strategy

The [People Strategy 2019-2023](#) sets the direction for people-related activities in TCCS. The goal is to shape TCCS as an organisation of skilled and committed employees who understand the contribution their role makes in achieving the TCCS vision and mission. This vision cannot be achieved without the commitment and engagement of TCCS' employees and workers.

The People Strategy identifies five priorities;

1. purposeful leadership;
2. attracting the right people;
3. a great employee experience;
4. creating pathways to grow; and
5. shaping a diverse and inclusive workforce.

The People Strategy's ongoing implementation is guided by a comprehensive roadmap outlining key initiatives spanning the length of the Strategy.

Purposeful leadership

TCCS values set the ground rules for how people behave at work throughout the organisation and regardless of their role. This common set of embedded values and clear expectations about working together help to define TCCS as a great place to work and provide connected services to the Canberra community.

TCCS values include the four Whole of Government values plus two TCCS specific values. They are:



Leaders Forums have continued to assist with equipping, skilling, and empowering managers and supervisors to lead high-performing teams, embed a culture that respects and values physical and psychological safety, proactively prepares our next generation of leaders, and establishes collaborative internal partnerships. The Leaders Forums provide managers with opportunities to hear directly from the Executive Board and external speakers about TCCS priorities and assist to clarify participants understanding about their leadership role and feel supported to continuously develop their skills and capabilities.

The target audience for forums is all Senior Officer Grade A, B, and C and equivalent classifications. In 2020-21 two Leadership Forums took place in a virtual format. These forums focused on:

- > November 2020 - providing feedback on the results of an Employee Survey; and
- > March 2021 - building a resilient workforce.

Future forums are being planned as a combination of virtual and face-to-face events.

The first Leadership Development Program (LDP) was successfully completed by 16 program participants in 2020. Designed for established and substantive senior leaders, the program aims to equip participants with the skills needed to lead high-performing teams within a values-based organisation. Participants were able to strengthen and expand their professional networks and

increase their technical credibility by aligning current projects to the TCCS vision, mission, objectives, and leadership priorities. The second LDP cohort of 16 participants commenced in May 2021.

A new program delivered in 2020-21 was the Operational Frontline Managers Program with 15 successful participants awarded a Certificate IV in Leadership and Management. This program targets frontline operational staff at the GSO7-9 (and equivalent) level and aims to increase management and leadership capability. The program is specifically tailored to meet the diverse needs of operational frontline leaders and provides opportunities to increase professional networks. A second cohort of participants will commence in August 2021.

Attracting the right people

TCCS strives to attract the right people to the right job at the right time.

As part of its recruitment strategy, the directorate has developed an Employee Value Proposition. This includes an outline of what makes the organisation unique and a message to prospective candidates and current employees highlighting why they should choose to work for TCCS.

Entry-level programs play an important role in workforce planning and development. They support mentoring opportunities, building skills and capability, and supporting succession planning for the future. Through our entry-level programs, the Directorate employed seven new apprentices, four in horticulture and three in auto electrical and heavy vehicle. There are currently 18 apprentices working in the directorate.

In 2020-21, TCCS provided two internship placements, one placement being in the Chief Information Office team and one in the Legal and Contracts team. Two postgraduate internship placements, via the Australian Postgraduate

Research Intern (APR.Intern) national PhD internship program, were provided within the Light Rail Operations branch.

TCCS permanently appointed 4 graduates upon their successful completion of the 2020 ACTPS Graduate Program. These graduates were placed in positions within Roads ACT, Infrastructure Delivery, ACT NoWaste and Strategic Policy and Customer. The Directorate then welcomed 8 graduates as part of the 2021 program.

TCCS designed, piloted, and implemented a new Best Practice Recruitment Training program in 2021. The program comprises:

- > eLearning modules, mandatory for all recruitment panel members; and
- > face-to-face one day training, that will become mandatory for all panel chairs from 1 January 2022.

This training provides participants with key principles and skills to undertake recruitment in line with best practices, relevant legislation, and policies, including unconscious bias, diversity and inclusion, and reasonable adjustments.

A great employee experience

TCCS seeks to provide a great employee experience. This commences with the targeted and deliberate onboarding and induction of new and returning employees. The mandatory whole of directorate induction provides a consistent and effective process that sets expectations of behaviour, performance, compliance, and an understanding of TCCS structure and functions.

Many business units across the directorate have embedded a recognition framework in their team, toolbox, and branch meeting agendas. This provides an opportunity to acknowledge and celebrate the achievements of individuals and teams in categories aligned to the directorate's vision and values.



The Capital Linen Services workforce receiving the Director-General's Award for Safety

During 2020-21, the directorate sought to minimise the use of casual staff and temporary employment contracts. Overall, the Directorate identified 47 positions could be converted from casual or temporary appointments to permanent positions.

The TCCS Director-General Awards are founded on the TCCS values. In December 2020 the Director-General Awards were announced for the preceding year. Seven awards were made to employees or teams in the following categories: Innovation, Customer Services, Safety, Collaboration, Respect, Diversity and Inclusion, and an Excellence Award.

Creating pathways to grow

The development of employees, with a focus on building capacity and supporting growth to meet future demands, has continued to be a focus area for the directorate.

The Learning and Development Strategy 2020-2023 was formally endorsed in September 2020. The strategy identifies 26 actions over five key priority areas of:

- > a fit-for future workforce;
- > people developing people;

- > inclusive and diverse development opportunities;
- > a great learning experience; and
- > engaging the right people.

The strategy aims to build the current and future capabilities of TCCS staff by being a leader in contemporary and innovative learning and development experiences for its staff. Under the strategy, a comprehensive Training Needs Analysis will be undertaken in 2021-22.

TCCS actively recognise talented employees by nominating them for various programs, awards, and professional development opportunities. This is achieved through expressions of interest or recognition by the Executive Board.

Shaping a diverse and inclusive workforce

Under the ACT Government's [Respect, Equity, and Diversity Framework \(RED\)](#), the directorate continues to provide training, education, and resources to help all employees build and maintain positive workplace culture. RED Contact Officers continue to be available to employees who experience difficulties at work.

In focus: Jobs for Canberrans

The directorate has continued to respond to the challenges presented by COVID-19, facilitating positions for the Jobs for Canberrans (JfC) initiative. This Whole of Government initiative has provided work opportunities for employees who were unemployed and not eligible to access Commonwealth Government benefits such as Jobseeker or Jobkeeper.

These jobs provided valuable support to various TCCS teams, engaging 132 new employees to deliver services to the Canberra community. People and Capability branch received all the applications and, in consultation with business units, shortlisted and interviewed for the positions. Employment opportunities commenced in April 2020 and are expected to conclude at the end of December 2021.

A tailored Induction program was delivered providing these new employees with sound organisational knowledge and highlighting the importance of TCCS Values, the Code of Conduct, and Workplace Health and Safety.

Through the JfC initiative, TCCS commenced the Candidate Care Program in January 2021 and engaged three Candidate Care Officers, two to support TCCS, and one to support employees engaged across the ACT Public Service. The Candidate Care Officers ensured the employees in the program were supported, identified potential talent streams for retention, and resolved any enquiries. These roles were also responsible for providing support in training, learning resources, contract extensions, securing referee reports, and providing resources for job applications.

In partnership with CIT Solutions, a one-day training workshop was held covering Job Application and Interview skills. This training equipped 96 JfC employees with skills to tailor their resumes and provided a focus on securing a role at the expiration of their contracts.

Opportunities provided by this initiative have been well received by applicants. To date 40 employees have had successful outcomes from the program, having found temporary or permanent employment within TCCS, ACTPS, or the private sector.



In 2020, TCCS developed a Diversity and Inclusion Strategy 2020-2023. The Strategy focuses on four key areas: leadership and planning, attracting, and recruiting a diverse workforce, developing, and retaining a diverse workforce, and shaping workplace culture to evolve our workplace diversity and inclusion.

TCCS is developing recruitment strategies to increase diversity and inclusion. The Aboriginal and Torres Strait Islander talent register is under development to provide an opportunity for candidates to submit an Expression of Interest at any time. The Register will provide a new method to attract, improve access, participation, and inclusion of Aboriginal and/or Torres Strait Islander people, particularly at the senior level as a pilot throughout 2021-22.

TCCS continues to implement a range of diversity and inclusion employment strategies

to reach targets set by the Head of Service for the employment of Aboriginal and Torres Strait Islander peoples and people with disability and to proactively and strategically support women and people who identify as LGBTIQ.

TCCS has increased the headcount for people with disability and Aboriginal and Torres Strait Islander employees. As of June 2021, the headcount for people with disability is 92 (3.93 per cent), exceeding the target of 81 by 11. The headcount of employees who have self-identified as Aboriginal and Torres Strait Islander peoples is 66 (2.82 per cent), being eight more than the target of 58.

Attraction and Retention Incentives

As of 30 June 2021 TCCS had no employees in receipt of Attraction and Retention Incentives (ARins) payments.

Table 12: Attractions and Retention Incentives (ARins)

| Description | No. individual ARins | No. group ARins | No. employees covered by group ARins | Total |
|---|----------------------|-----------------|--------------------------------------|-------|
| Number of paid ARins at 30 June 2021. | 0 | 0 | 0 | 0 |
| Number of ARins transferred from Special Employment Arrangements (SEAs) in the period . | 0 | 0 | 0 | 0 |
| Number of ARins entered into during period (excluding pre-existing). | 0 | 0 | 0 | 0 |
| Number of ARins terminated during period. | 0 | 0 | 0 | 0 |
| The number of ARins providing for privately plated vehicles as at 30 June 2021. | 0 | 0 | 0 | 0 |
| The number of ARins or employees who have transferred from AWAs during the period. | 0 | 0 | 0 | 0 |

Workforce Profile

Table 13: Full-time equivalent and headcount by division at 30 June 2021

| Division | FTE | Headcount |
|--|---------------|-------------|
| Chief Operating Officer | | 132.1 |
| City Services | | 666.0 |
| Office of the Director-General | | 18.9 |
| Transport Canberra and Business Services | | 1282.8 |
| Total | 2099.8 | 2342 |

Table 14: Full-time equivalent and headcount by gender as at 30 June 2021

| Gender* | FTE | Headcount | Percentage of workforce (%) |
|--------------|---------------|-------------|-----------------------------|
| Female | 526.2 | 596 | 25.5 |
| Male | 1572.6 | 1745 | 74.5 |
| Total | 2098.8 | 2341 | 100 |

*One employee identifying as gender 'X' is excluded from Standard Workforce Metrics - Gender

Table 15: Headcount by classification and gender as at 30 June 2021

| Classification group | Female | Male | Total |
|---|------------|-------------|-------------|
| Administrative Officers | 223 | 114 | 337 |
| Bus Operator | 96 | 801 | 897 |
| Capital Linen Service Officers | 19 | 27 | 46 |
| Executive Officers | 9 | 18 | 27 |
| General Service Officers and Equivalent | 69 | 465 | 534 |
| Information Technology Officers | 1 | 0 | 1 |
| Legal Officers | 1 | 0 | 1 |
| Professional Officers | 21 | 39 | 60 |
| Rangers | 0 | 4 | 4 |
| Senior Officers | 131 | 165 | 296 |
| Technical Officers | 18 | 47 | 65 |
| Trainees and Apprentices | 2 | 16 | 18 |
| Transport Officers | 6 | 49 | 55 |
| Total | 596 | 1745 | 2341 |

Table 16: Headcount by employment category and gender as at 30 June 2021

| Employment category | Female | Male | Total |
|---------------------|------------|-------------|-------------|
| Casual | 53 | 143 | 196 |
| Permanent Full-time | 351 | 1152 | 1503 |
| Permanent Part-time | 115 | 262 | 377 |
| Temporary Full-time | 68 | 180 | 248 |
| Temporary Part-time | 9 | 8 | 17 |
| Total | 596 | 1745 | 2341 |

Table 19: Head count by diversity group as at 30 June 2021

| Diversity group | Headcount | Percentage of workforce |
|---------------------------------------|-----------|-------------------------|
| Aboriginal or Torres Strait Islander | 66 | 2.8% |
| Culturally and linguistically diverse | 529 | 22.6% |
| People with disability | 92 | 3.9% |

Table 17: Headcount by age group and gender as at 30 June 2021

| Age group | Female | Male | Total |
|--------------|------------|-------------|-------------|
| Under 25 | 29 | 58 | 87 |
| 25-34 | 133 | 244 | 377 |
| 35-44 | 150 | 419 | 569 |
| 45-54 | 156 | 488 | 644 |
| 55 and over | 128 | 536 | 664 |
| Total | 596 | 1745 | 2341 |

Table 18: Average length of service by gender as at 30 June 2021

| Description | Female | Male | Workforce |
|-----------------------------------|--------|------|-----------|
| Average length of service (years) | 7.4 | 9.2 | 8.8 |

Table 20: Recruitment and separation rates as at 30 June 2021

| Description | Recruitment | Separation |
|-------------|-------------|------------|
| Rate | 10.8% | 5.5% |

Ecologically sustainable development

Moving to zero emissions

During 2020-21, the directorate delivered many services to the Canberra community that contributed to the ACT Government's environmental footprint. The [ACT Climate Change Strategy 2019-2025](#) was released in September 2019 and outlines the next steps for Canberra to reduce emissions by 50 to 60 per cent by 2025 and establish a pathway for achieving net zero emissions by 2045.

To demonstrate leadership in emission reductions, the strategy includes a [Zero Emissions Government Framework](#). Under the Framework, the ACT Government has committed to reducing its greenhouse-gas emissions from operations to zero by 2040. It has also committed to reducing its emissions by more than 33 per cent over the period 2019-20 to 2020-25. As the largest contributor to ACT Government emissions, TCCS has an opportunity and challenge in reducing transport emissions with 94 per cent of the TCCS emission profile linked to transport fuels.

In 2020-21, TCCS developed the [TCCS Emissions Reduction Plan 2019-20 to 2024-25](#) to contribute to the Whole of Government target and held representation on the ACT Government Zero Emission Government Implementation Committee.

The directorate relocated in 2020 to an activity-based, multi-tenanted, zero-emissions building at 480 Northbourne Avenue (480 NBA) with climate-wise design and energy-efficient appliances. 480 NBA has a highly efficient heating, ventilation, and air conditioning (HVAC) system; containing a 138kW roof mounted solar system; a 160,000 litre rainwater recycling system servicing cisterns and urinals, and HVAC cooling towers and a hydronic radiant in-floor heating system in the ground foyer/atrium areas.

480 NBA achieved outstanding environmental credentials including 5-star Greenstar rating and 5-star NABERS rating for energy efficiency; water usage; waste management and indoor air quality.

Transport Canberra

The [Zero-Emission Transition Plan for Transport Canberra](#) was released in September 2020 and outlines the pathway to achieve a zero-emission public transport system by 2040. With this Plan, TCCS is taking action to transition the Transport Canberra bus fleet to zero emissions, including developing the infrastructure, investment, and skills needed to make the transition operationally successful.

Over the next 3 years, the Transition Plan will see the government replace over 20 per cent of the ageing diesel and CNG buses with battery electric buses powered by 100 per cent renewable electricity. This will be timed with plans for new bus depots with electric charging infrastructure to support the transition to a fleet of zero-emission buses. Following an initial short-term lease of 26 replacement diesel buses and 8 battery electric buses, Transport Canberra will progress to procure 90 zero-emission buses and supporting infrastructure.

Fleet services

In 2020-21, TCCS has ensured that where fit for purpose, all passenger fleet vehicle leases were replaced with zero-emission vehicles (ZEV). This included the introduction of seven Nexo hydrogen vehicles to the fleet. With only 9 per cent of the TCCS fleet being passenger vehicles, the directorate commenced a 12-month trial of a fully electric tipper truck introducing ZEV within the heavy vehicle fleet. Charging infrastructure was further expanded with works commencing at Reid and Curtin depots for the addition of two 25KW DC fast chargers, making a total of 15 sites and 20 EV charging units available across TCCS sites.

Streetlighting

Roads ACT has completed the third year of a seven-year Energy Performance contract for the provision of ongoing operations and maintenance of the Territory's streetlights. Expected outcomes include energy-efficient replacements to LED luminaries, improving maintenance efficiency, and improved data acquisition and control systems with potential for smart city applications.

During 2020-21, 20,956 MWh, 49 per cent has been saved compared to the baseline.

Table 21: Electricity consumption of Energy Performance contract for Territory streetlights in 2020-21.

| Consumption | MWh |
|--|------------|
| Electricity consumption (no replacement program) | 42,735 |
| Detailed Facility Study est. electricity consumption (include replacement program) | 24,860 |
| Actual electricity consumption | 21,779 |
| Savings in percent | 49% |

Infrastructure Delivery

The Northbourne Avenue road pavement has been rehabilitated to improve skid resistance and reduce the need for regular maintenance. This project was funded jointly by the ACT Government and Commonwealth Government as part of the Shovel Ready Infrastructure Investment Program.

The original project plan, using standard methods of pavement rehabilitation, would have taken approximately 26 weeks to complete. However, an innovative recycled pavement technique known as 'foamed bitumen stabilisation' was used reducing project completion time to six weeks. The ACT is the first state or territory to use this innovative pavement recycling technique for upgrading road pavements.

This technique has the following benefits:

- > more than 6,000 tonnes of existing pavement material were recycled on-site, instead of going to landfill;
- > new imported materials to the site were reduced by 69 per cent;
- > an 80 per cent reduction in project completion time reducing traffic impacts for the community; and
- > 40 per cent savings in project costs.

In May 2021, the project won an award at the Civil Contractors Federation (CCF) Earth Awards in the Work Health & Safety – Civil category.

ACT NoWaste

In 2020-21, 31,139 megawatts of gas from Mugga landfill were captured, enough to power 4,800 homes for one year. Further information on resource recovery activities is presented in the ACT NoWaste section of the annual report, see Output 2.3 Waste and Recycling.

City Presentation

In 2020-21 City Presentation commenced the use of recycled plastic bollards in urban open space as a means to foster the circular economy. Such bollards protect urban open space from unauthorised vehicle access, providing enhanced amenity. Recycled plastic bollards have been used to replace existing, aged, treated pine barriers or at locations requiring the installation of new bollards.

Urban wood waste was extensively recycled to provide approximately 3,000 m² of mulch for use by volunteer groups and community organisations. Approximately 900 large logs were salvaged for use as coarse woody debris in nature reserves and urban

green spaces and both mulch and logs were used to support the creation of nature playspaces. Salvaged logs were also provided to be milled for school woodwork projects.

Libraries ACT

Libraries ACT play an important role in the provision of sustainable services, with community use of libraries being an environmentally friendly activity. Borrowing a book, magazine, or DVD and returning it for re-issue to someone else contributes to the sharing economy and environmental sustainability. Similarly, the use of digital resources is a technological approach to avoiding waste.

Libraries ACT has updated recycling options for library customers, added compostable waste to existing waste collection options, audited energy, and water use, and conducted sustainability awareness-raising activities.

Yarralumla Nursery

Yarralumla Nursery has continued to promote sustainable practices at the nursery and has participated in working groups with Industry bodies such as Greenlife Industry Australia to actively support important initiatives such as sustainability in polypropylene plant packaging within the Horticultural Industry.

Yarralumla Nursery has also recently purchased a bale press machine to tightly compact plastic waste which will eventually be sent to a recycling depot. This means less waste sent to landfill, reduced waste costs, and reduced space requirements for waste storage.

State of the Environment Report

TCCS provided an update to the Office of the Commissioner for Sustainability and the Environment for their Annual Report on the status of actions against recommendations from the State of the Environment Report 2019; and Directorate actions in relation to recommendations resulting from investigations by the Commissioner against the Implementation Status Report on Climate Change Policy (2017) and The Heroic and the Dammed - Cotter Catchment Restoration Evaluation (2018).

Sustainable Development Performance: Current and Previous Financial Year

Note that some data reported for 2019-20 in [Table 22](#) may differ slightly from figures reported in the 2019-20 Annual Report. These are due to updates to agency occupancy and historical consumption data, and annual adjustments to ACT specific electricity emissions factors. Where actual data is not available, the Enterprise Sustainability Platform provides estimations using an accruals function. Accruals are calculated from the average annual daily consumption of the most current 12-month period applied for the number of days of missing data. Reams of paper purchased have been adjusted from figures reported in 2019-20 with the full set of data captured in FY 2020-21.

Emissions reported for stationary energy and transport fuels include Scope 1 and Scope 2 emissions only. Scope 1 emissions are direct emissions from sources owned and operated by the government including emissions from transport fuel, refrigerants, and natural gas use. Scope 2 emissions are indirect emissions from mains electricity.

An increase in weekday bus services in July 2020 and an uplift in weekend bus services in October 2020 has contributed to an increase in fuel use for the Transport Canberra bus fleet for 2020-21 compared to 2019-20. Emission factors used to calculate refrigerants, natural gas, and fleet fuel are based on the latest National Greenhouse Accounts factors.

Reductions in resource efficiency and waste in 2020-21 compared with 2019-20 are a result of relocation to 480 Northbourne Avenue and an increase in staff working from home as a result of COVID-19.

Treatment of plug-in hybrids

A plug-in hybrid electric vehicle (also known as a range-extended vehicle or PHEV) is fuelled by electricity as well as having either a petrol or diesel tank to extend the vehicle's range for long trips. PHEVs are considered zero-emissions vehicles under the ACT Government Fleet Procurement and Management Policy and are counted as ZEVs in reporting.

Table 22: Sustainable Development Performance: current and previous financial year

| Indicator as of 30 June | Unit | Current FY 2020-21 | Previous FY 2019-20 | Percentage change |
|---|----------------|--------------------|---------------------|-------------------|
| Stationary energy usage | | | | |
| Electricity use | Kilowatt hours | 35,075,142 | 38,519,791 | -8.9% |
| Natural gas use (non-transport) | Megajoules | 48,139,473 | 52,378,703 | -8.1% |
| Diesel use (non-transport) | Kilolitres | n/a | n/a | n/a |
| Transport fuel usage – TCCS Fleet | | | | |
| Electric vehicles | Number | 9 | 8 | 12.5% |
| Hybrid vehicles | Number | 8 | 11 | -27.3% |
| Hydrogen vehicles | Number | 7 | 0 | 100.0% |
| Total number of vehicles | Number | 446 | 406 | 9.9% |
| Fuel use – Petrol | Kilolitres | 45 | 44 | 1.5% |
| Fuel use – Diesel | Kilolitres | 1,348 | 1,026 | 31.4% |
| Fuel use – Liquid Petroleum Gas (LPG) | Kilolitres | n/a | n/a | n/a |
| Fuel use – Compressed Natural Gas (CNG) | Gigajoules | n/a | n/a | n/a |
| Transport fuel usage – Transport Canberra Bus Fleet/ACTION | | | | |
| Electric vehicles | Number | - | 1 | -100.0% |
| Hybrid vehicles | Number | 0 | 0 | 0.0% |
| Hydrogen vehicles | Number | 0 | 0 | 0.0% |
| Total number of vehicles | Number | 455 | 457 | -0.4% |
| Fuel use – Petrol | Kilolitres | n/a | n/a | n/a |
| Fuel use – Diesel | Kilolitres | 11,865 | 10,485 | 13.2% |
| Fuel use – Liquid Petroleum Gas (LPG) | Kilolitres | n/a | n/a | n/a |
| Fuel use – Compressed Natural Gas (CNG) | Gigajoules | 90,583 | 74,480 | 21.6% |
| Water usage | | | | |
| Water use | Kilolitres | 1,182,948 | 1,675,710 | -29.4% |
| Resource efficiency and waste | | | | |
| Reams of paper purchased | Reams | 4,673 | 4,786 | -2.4% |
| Recycled content of paper purchased | Percentage | 46% | 18% | 159.9% |
| Waste to landfill | Litres | 14,386,711 | 16,355,577 | -12.0% |
| Co-mingled material recycled | Litres | 252,066 | 511,025 | -50.7% |
| Paper & Cardboard recycled (incl. secure paper) | Litres | 422,609 | 627,978 | -32.7% |
| Organic material recycled | Litres | 38,786 | 37,200 | 4.3% |
| Greenhouse gas emissions | | | | |
| Emissions from natural gas use (non-transport) | Tonnes CO2-e | 2,480 | 2,699 | -8.1% |
| Emissions from diesel use (non-transport) | Tonnes CO2-e | - | - | 0.0% |
| Emissions from transport fuel use | Tonnes CO2-e | 40,949 | 35,467 | 15.5% |
| Total emissions | Tonnes CO2-e | 43,429 | 38,166 | 13.8% |



Part 2C

FINANCIAL MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

Transport Canberra and City Services Directorate

For the Year Ended 30 June 2021

DIRECTORATE FINANCIAL PERFORMANCE

The following assessment of the Directorate's financial performance is based on the net cost of services framework. Net cost of services facilitates an assessment of performance by showing the full cost and composition of resources consumed in conducting the operations of the Directorate. It shows the extent to which these costs were recovered through independent sources and the net cost of operations to the Territory.

The Directorate has not experienced any significant financial impacts as a result of the COVID-19 pandemic. The Directorate received additional funding to support the local economy in response to the COVID-19 pandemic (refer to Controlled Statement of Appropriation). Estimates presented below for 2021-22 through to 2024-25 are based on the 2021-22 Budget. The 2021-22 Budget was presented in the Legislative Assembly and will be debated subsequent to the signing of these Financial Statements.

The following financial information is based on audited financial statements for 2020-21 and 2019-20 and the 2020-21 and 2021-22 Original Budgets.

Risk Management

The Directorate maintains a strategic risk profile which identifies key strategic and emerging risks related to organisational objectives. The strategic risk register is supported by divisional risk registers, which are managed in accordance with the TCCS Risk Management Framework and Plan. Risk management practices within TCCS align with the ISO 31000:2018 Risk Management – Principles and Guidelines standard and the ACT Government Risk Management Policy 2019. Further information is included in Part 2B Risk Management of the Annual Report

Total Net Cost of Services

TABLE A: NET COST OF SERVICES

| | Actual 2019-20 | Budget 2020-21 | Actual 2020-21 | Budget 2021-22 | Forward Estimate 2022-23 | Forward Estimate 2023-24 | Forward Estimate 2024-25 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------------|--------------------------------|--------------------------------|
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Total Expenses | 658.3 | 714.2 | 719.6 | 728.9 | 711.1 | 715.9 | 721.9 |
| Total Own Source Revenue | 133.6 | 182.2 | 203.3 | 218.0 | 163.9 | 217.5 | 157.4 |
| Net Cost of Services | 524.7 | 532.0 | 516.3 | 510.9 | 547.2 | 498.4 | 564.5 |

1. Comparison to Original Budget

The Directorate's Net Cost of Services for 2020-21 of \$516.3 million was \$15.7 million higher than the original budgeted cost of \$532.0 million. These variances are explained in the Total Expenses and Total Own Source Revenue sections.

2. Comparison to Prior Year

Total Net Cost of Services for 2020-21 was \$8.4 million or 1.6% lower than the prior year. These variances are explained in the Total Expenses and Total Own Source Revenue sections.

3. Future Trends

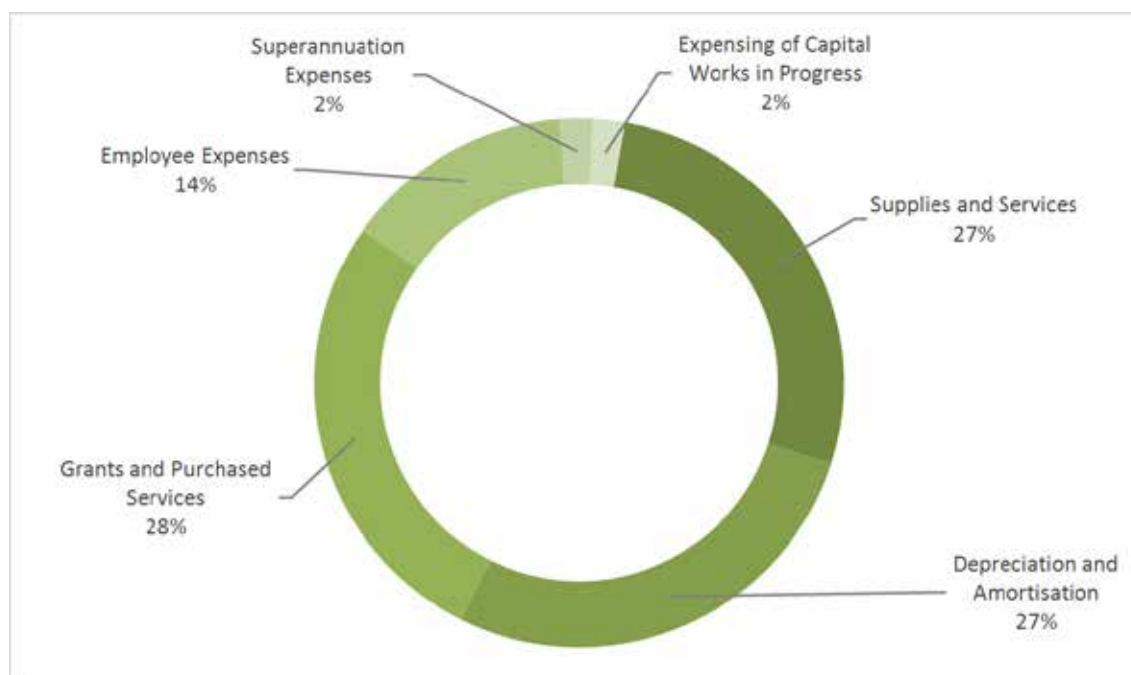
The Directorate's Net Cost of Services decreases by \$5.4 million in 2021-22 primarily due to increase in Own Source Revenue resulting from asset contributions from other ACT Government entities. Over the forward estimates, the Net Cost of Services will fluctuate mainly due to the timing and amount of asset contributions from other ACT Government entities.

Total Expenses

1. Components of Expenses

Figure 1 identifies the components of the Directorate's expenses for the year ended 30 June 2021.

Figure 1 Components of Expenses



2. Comparison to Original Budget

Total expenses of \$719.6 million was \$5.4 million or 0.8% higher than the 2020-21 Original Budget of \$714.2 million. The higher than budgeted expenses were the result of:

- unbudgeted expensing of Capital Works in Progress costs (\$13.6 million). The Directorate expenses these costs, as they do not meet the asset recognition criteria under the Australian Accounting Standards; and

- higher than budgeted Employee costs including Superannuation (\$7.5 million) due to higher staff numbers resulting from the delivery of the Directorate's operations internally rather than outsourcing.

These were partially offset by lower than budgeted Supplies and Services (\$14.5 million) due mainly to:

- the timing of infrastructure feasibility studies and community infrastructure repair works (\$7.0 million); and
- lower contractors and consultancy expenses due to the delivery of the Directorate's operations internally rather than outsourcing (\$7.0 million) as previously mentioned.

3. Comparison to Prior Year

Total expenses were \$61.3 million or 9.3% higher than the previous year amount of \$658.3 million. This was mainly due to higher:

- Employee Expenses (\$10.8 million) mainly due to salary increases under the enterprise agreements and additional employees (including through the Jobs for Canberrans program. This program provides work opportunities for people who have lost their jobs due to the COVID-19 pandemic).
- Supplies and Services (\$22.0 million) mainly due to:
 - higher contractors and consultancy expenses for works relating to community infrastructure projects and waste site operations; and
 - additional repairs and maintenance works (\$14.5 million) undertaken for roads, bridges and stormwater systems;
- Grants and Purchased Services (\$16.2 million) mainly resulting from additional funding received and passed through to Transport Canberra Operations in 2020-21:
 - to offset reduction in fare revenue (\$10.8 million) due to the COVID-19 pandemic; and
 - for the bus operations (\$10.2 million).

These were partially offset by a one-off Treasurer's Advance received in 2019 20 (\$5.2 million).

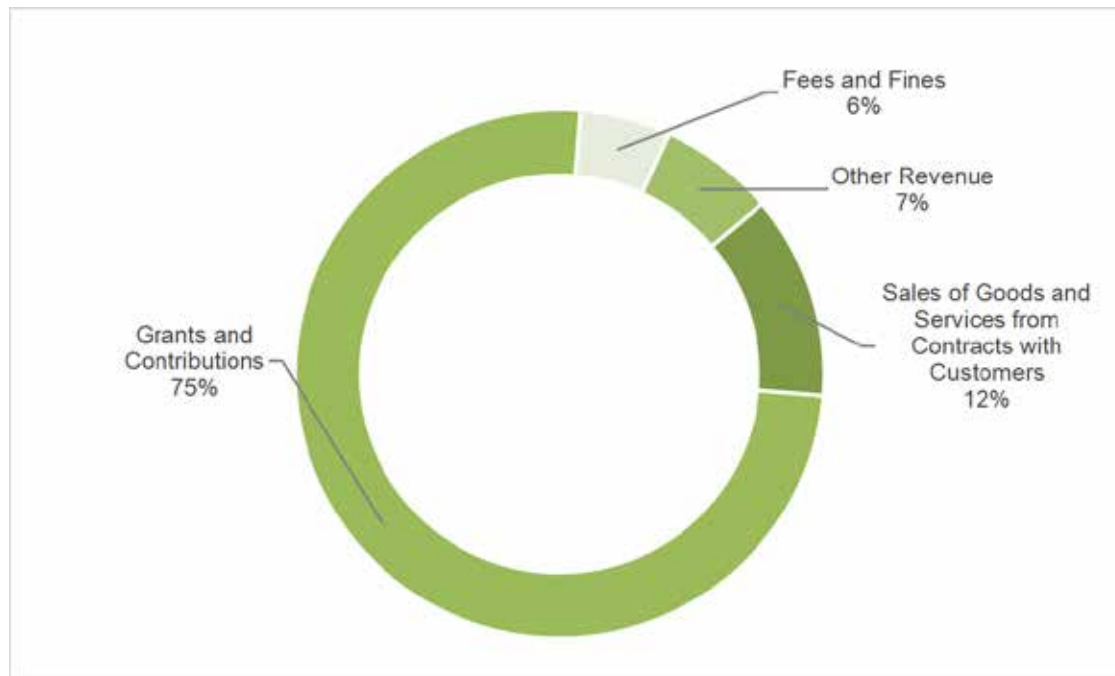
- Depreciation and Amortisation (\$8.8 million) mainly due to an increase in the value of infrastructure (roads, stormwater and waste) assets following revaluation at 30 June 2020 resulting in a higher depreciation expense.

Total Own Source Revenue

1. Components of Own Source Revenue

Figure 2 identifies the components of the Directorate's Own Source Revenue for the year ended 30 June 2021.

Figure 2 Components of Own Source Revenue



2. Comparison to Original Budget

Own Source Revenue of \$203.3 million was \$21.1 million or 11.6% higher than the 2020-21 Original Budget of \$182.2 million. The higher than budgeted own source revenue was primarily the result of:

- Grants and Contributions (\$16.7 million) mainly due to higher value of assets transferred from the Suburban Land Agency (\$49.9 million), partially offset by lower than expected asset contributions from Private Developers (\$34.0 million); and
- Fees and Fines (\$4.3 million) mainly due to additional revenue from land use fees and road/traffic permits.

3. Comparison to Prior Year

Own Source Revenue of \$203.3 million was \$69.7 million or 52.2% higher than previous year amount of \$133.6 million. The increase is largely due to higher:

- Grants and Contributions (\$63.8 million) mainly resulting from stormwater assets (Healthy Waterways) received (\$57.9 million) from the Environment, Planning and Sustainable Development Directorate; and
- Other revenue (\$6.7 million) mainly resulting from cost recovery of employee costs under the Jobs for Canberrans program from the Chief Minister, Treasury and Economic Development Directorate.

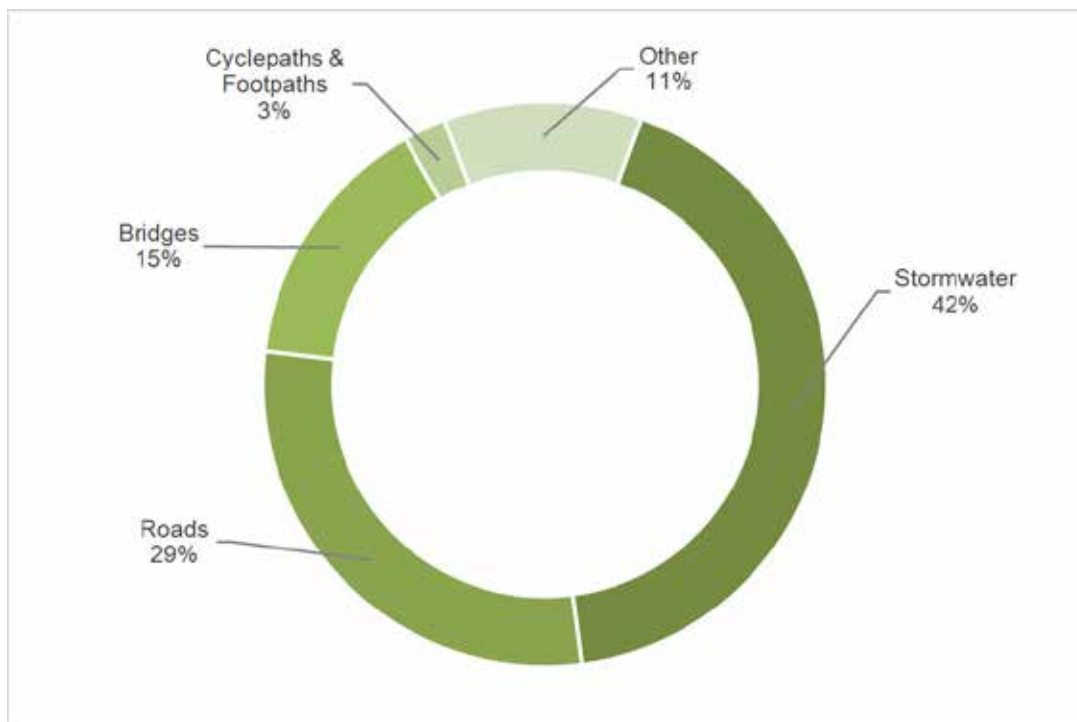
DIRECTORATE FINANCIAL POSITION - TOTAL ASSETS

1. Components of Total Assets

At 30 June 2021, the Directorate had Total Assets of \$10.5 billion. 98.0% of its Total Assets related to Property, Plant and Equipment (\$10.3 billion).

The major component of Property, Plant and Equipment is Infrastructure Assets (\$7.2 billion). Figure 3 shows the major categories of Infrastructure Assets.

Figure 3 Infrastructure Assets at 30 June 2021



2. Comparison to Original Budget

Total Assets at 30 June 2021 were consistent with 2020-21 Original Budget of \$10.5 billion.

3. Comparison to Prior Year

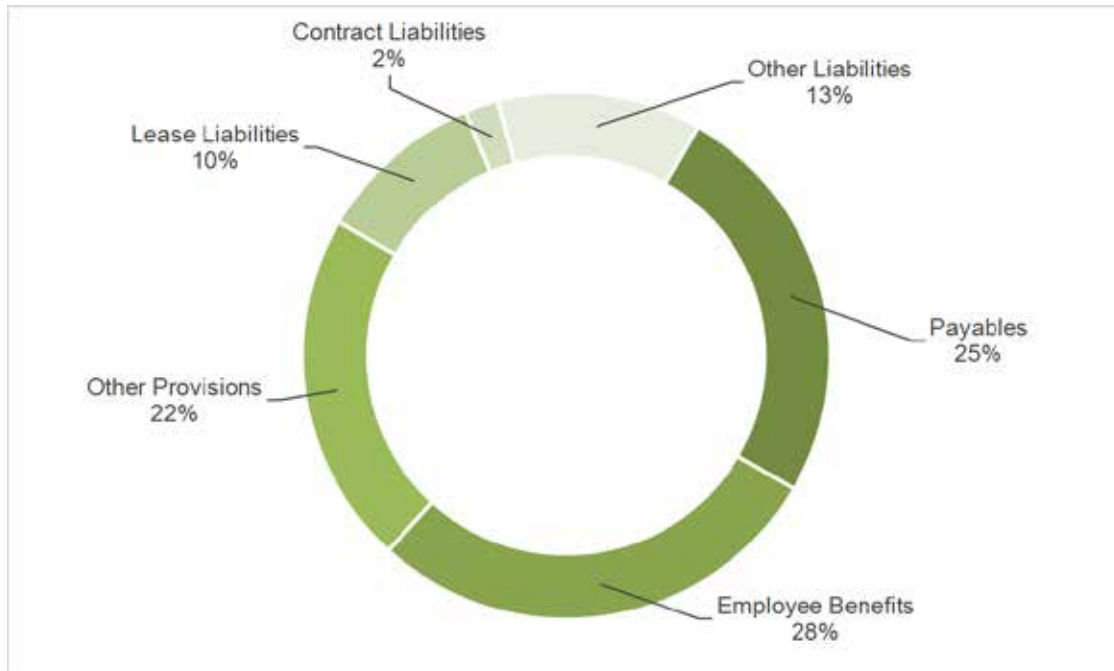
The Directorate's Total Assets were consistent with the previous year's total of \$10.4 billion.

DIRECTORATE FINANCIAL POSITION - TOTAL LIABILITIES

1. Components of Total Liabilities

At 30 June 2021, the Directorate had Total Liabilities of \$127.1 million. Figure 4 indicates the major categories of the Directorate's liabilities.

Figure 4 Total Liabilities at 30 June 2021



2. Comparison to Original Budget

Total Liabilities of \$127.1 million were \$24.2 million higher than the Original Budget of \$102.9 million. This was mainly due to higher than budgeted Other Provisions (\$17.6 million) resulting from delays in the decommissioning and remediation of the Mugga Lane and West Belconnen landfill sites.

3. Comparison to Prior Year

Total Liabilities were consistent with the previous year amount of \$123.5 million.

TERRITORIAL STATEMENT OF INCOME AND EXPENSES

Total Income and Expenses

The major categories of Territorial Income are commercial and industrial Waste Acceptance Fees and Dog Registration Fees. Total Expenses represents the transfers of income collected to the ACT Government.

TABLE B: TOTAL INCOME AND EXPENSES

| | Actual 2019-20 | Budget 2020-21 | Actual 2020-21 | Budget 2021-22 | Forward Estimate 2022-23 | Forward Estimate 2023-24 | Forward Estimate 2024-25 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|--------------------------------|--------------------------------|--------------------------------|
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Total Expenses | 17.3 | 25.5 | 17.5 | 27.4 | 27.9 | 28.9 | 29.6 |
| Total Income | 17.3 | 25.5 | 17.5 | 27.4 | 27.9 | 28.9 | 29.6 |
| Operating Result | - | - | - | - | - | - | - |

Comparison to the Original Budget

Total Territorial Income and Expenses of \$17.5 million was \$8.0 million (31.4%) lower than the Original Budget of \$25.5 million. This was mainly due to lower than anticipated Sale of Services from Contracts with Customers resulting from waste disposal fees not increasing in line with the budget due to the COVID-19 pandemic.

Comparison to Prior Year

Total Income and Expenses were consistent with the previous year amount of \$17.3 million.

Future trends

Sale of Services from Contracts with Customers and Fees and Fines for 2021-22 are budgeted at \$27.4 million. Both expenses and income are expected to increase across the forward estimates in line with forecasted fee increases for waste disposal at the waste sites.

MANAGEMENT DISCUSSION AND ANALYSIS

TRANSPORT CANBERRA OPERATIONS

For the Year Ended 30 June 2021

FINANCIAL PERFORMANCE

The following financial information is based on audited Financial Statements for the 2019-20 and 2020-21 financial years, 2020-21 Budget and the forward estimates contained in the 2021-22 Budget Papers.

Transport Canberra Operations (TCO) has not experienced any significant financial impacts in 2020-21 apart from a reduction in public transport fare revenue as a result of the COVID-19 pandemic. Estimates presented below for 2021-22 through to 2024-25 are based on the 2021-22 Budget Papers. The 2021-22 Budget was presented in the Legislative Assembly and will be debated subsequent to the signing of these Financial Statements.

Risk Management

TCO maintains a strategic risk profile which identifies key strategic and emerging risks related to organisational objectives. The strategic risk register is supported by divisional risk registers, which are managed within the TCCS Risk Management Framework and Plan. Risk management practices within TCCS align with the ISO 31000:2018 Risk Management – Principles and Guidelines standard and the ACT Government Risk Management Policy 2019. Further information is included in Part 2B Risk Management of the Annual Report.

Operating Result

TABLE A: OPERATING RESULT

| | Actual 2019-20 \$m | Budget 2020-21 \$m | Actual 2020-21 \$m | Forward Estimate 2021-22 \$m | Forward Estimate 2022-23 \$m | Forward Estimate 2023-24 \$m | Forward Estimate 2024-25 \$m |
|--|--------------------------|--------------------------|--------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Total Expenses | 248.2 | 260.3 | 273.0 | 268.7 | 275.2 | 277.7 | 279.9 |
| Total Income | 214.3 | 225.0 | 226.5 | 232.4 | 237.1 | 241.1 | 243.2 |
| Income Tax Equivalents Income | 10.2 | - | 14.2 | - | - | - | - |
| Operating (Deficit) | (23.7) | (35.3) | (32.5) | (36.3) | (38.1) | (36.6) | (36.7) |

Operating Result Compared to Original Budget

The Operating Result for TCO was a deficit of \$32.5 million, which is \$2.8 million lower than the original budgeted deficit of \$35.3 million.

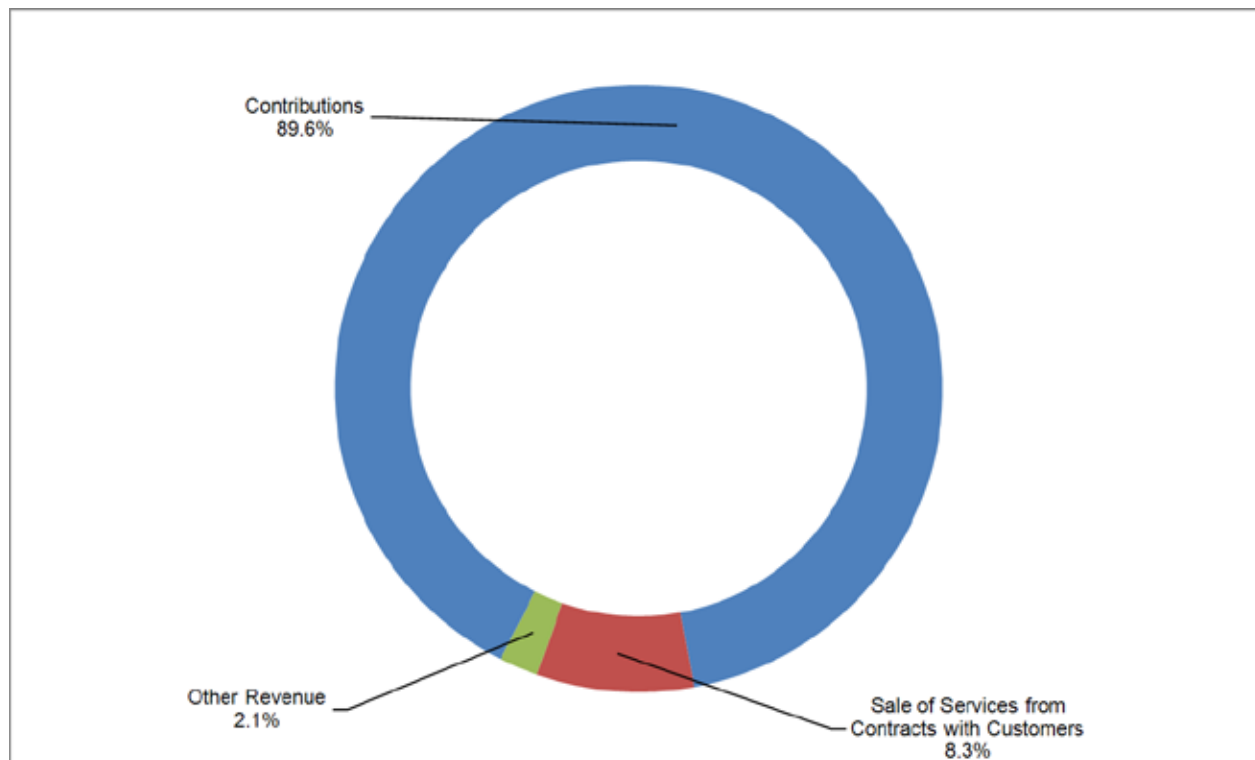
Total Income was \$226.5 million, which is \$1.5 million higher than the original budgeted revenue of \$225.0 million. Total expenses were \$273.0 million, which is \$12.7 million higher than the original budgeted expenses of \$260.3 million.

Total Income

Components of Total Income

Figure 1 illustrates the components of Total Income for the year ended 30 June 2021.

Figure 1 – Components of Income for 2020-21



Comparison to Original Budget

Income for the year ended 30 June 2021 was \$226.5 million, which was consistent with the original budget of \$225.0 million.

Comparison to Prior Year

Income in 2020-21 was \$12.2 million higher than the 2019-20 amount. This was mainly due to additional Contributions received from the ACT Government (through TCCS) for the bus operations to improve network frequency.

Future Trends

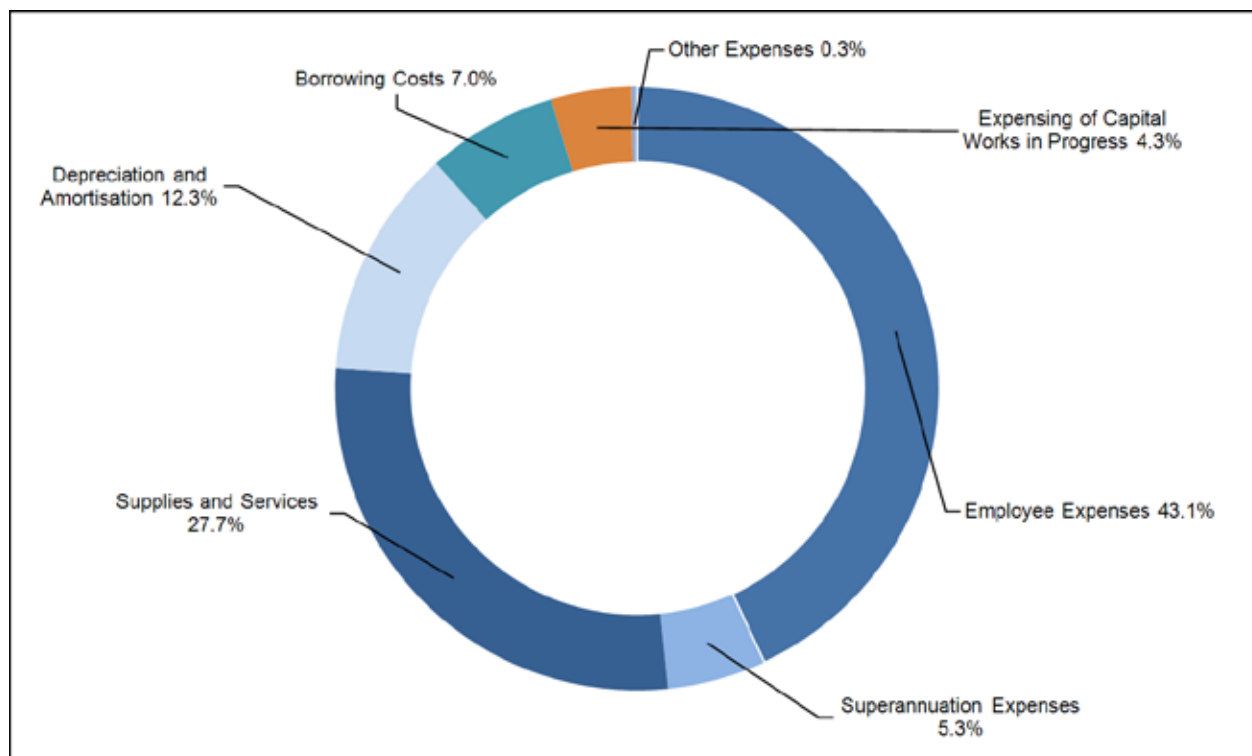
Income in the forward years is expected to steadily increase in line with forecast indexation.

Total Expenses

Components of Expenditure

Figure 2 illustrates the components of Total Expenses for the year ended 30 June 2021.

Figure 2 – Components of Expenditure for 2020-21



Comparison to Original Budget

Total expenditure of \$273.0 million was \$12.7 million higher than the original budget of \$260.3 million. This was largely the result of:

- unbudgeted Expensing of Capital Works in Progress was \$11.8 million due to a one off expensing of costs transferred from Major Projects Canberra relating to finalisation of light rail stage 1 construction; and
- Employee Expenses were \$5.3 million higher than original budget due to additional staff employed through the COVID-19 pandemic to undertake cleaning and higher payroll tax.

This was partially offset by Supplies and Services being \$4.6 million lower than original budget mainly due to less fuel expenditure resulting from lower fuel prices.

Comparison to Prior Year

Total expenditure was \$24.8 million higher than the 2019-20 amount. This was mainly a result of higher:

- Employee and Superannuation Expenses of \$9.3 million due mainly to salary increases and higher number of staff employed;
- Supplies and Services of \$3.9 million mainly due to higher operational costs relating to light rail, special needs transport and cleaning costs from additional cleaning undertaken due to the COVID-19 pandemic; and
- Expensing of Capital Works in Progress of \$9.4 million due to a one off expensing of costs transferred from Major Projects Canberra relating to finalisation of light rail stage 1 construction.

Future Trends

Expenses in the forward years are expected to steadily increase in line with forecast indexation.

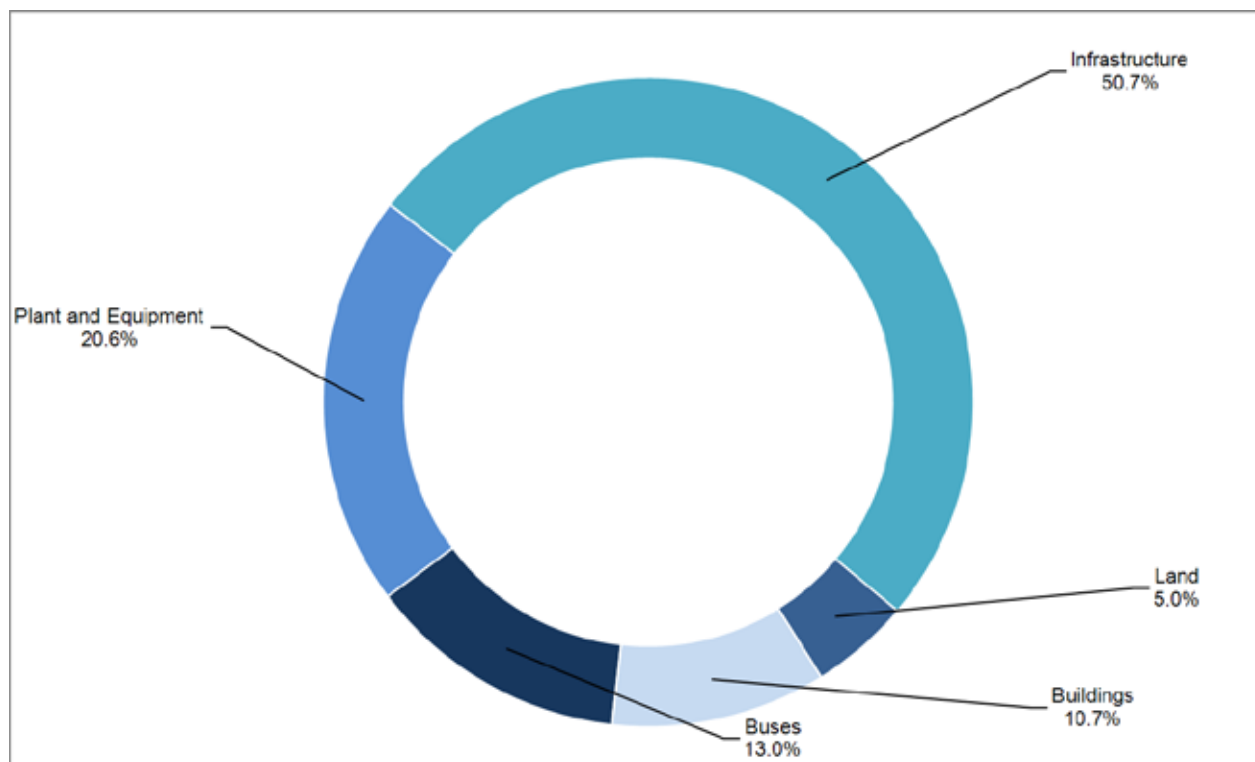
Transport Canberra Operations Financial Position – Total Assets

Components of Total Assets

At 30 June 2021, TCO had Total Assets of \$945.8 million. 97.2 percent of Total Assets related to Property, Plant and Equipment.

The components of Property, Plant and Equipment are summarised in Figure 3.

Figure 3 – Components of Property, Plant and Equipment at 30 June 2021



Comparison to Original Budget

Assets at 30 June 2021 totalled \$945.8 million, are materially in line with the 2020-21 original budget of \$947.6 million.

Comparison to Prior Year

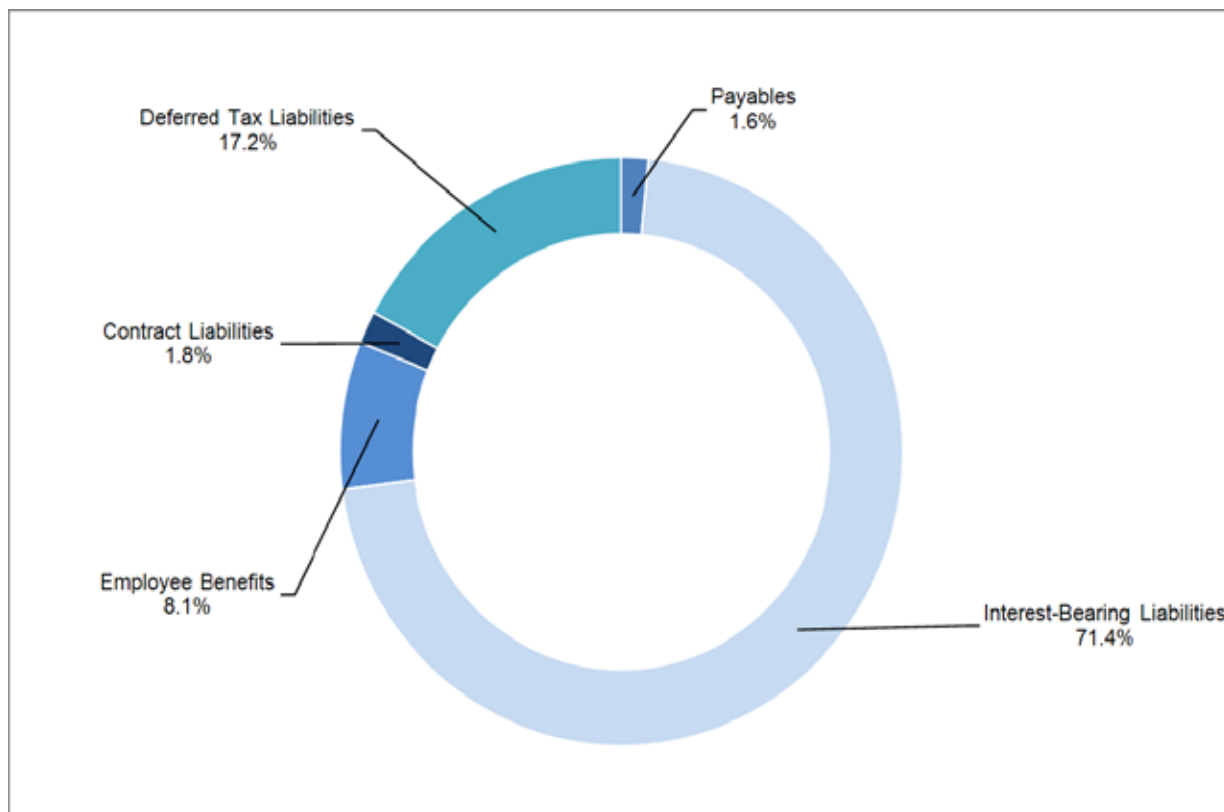
Total Assets in 2020-21 decreased by \$23.9 million from the prior year largely due to assets depreciation during the reporting period partially offset by additions of buses and plant and equipment.

Transport Canberra Operations Financial Position - Total Liabilities

Components of Total Liabilities

Figure 4 illustrates the major components of Total Liabilities for the year ended 30 June 2021.

Figure 4 – Components of Total Liabilities at 30 June 2021



Comparison to Original Budget

TCO's Total Liabilities for the year ended 30 June 2021 of \$433.7 million are \$10.4 million lower than the original budget of \$444.0 million due mainly to lower Deferred Tax Liabilities.

Comparison to Prior Year

Total Liabilities of \$433.7 million is \$19.3 million lower than the 2019-20 result of \$453.0 million. This was mainly due to:

- Payments made for the service concession arrangement liability (\$8.9 million) during the year; and
- Lower Deferred Tax Liabilities (\$13.8 million) resulting from operating deficit incurred in the current year.

FINANCIAL STATEMENTS



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the Transport Canberra and City Services Directorate (Directorate) for the year ended 30 June 2021 which comprise the:

- Controlled financial statements – operating statement, balance sheet, statement of changes in equity, statement of cash flows and controlled statement of appropriation;
- Territorial financial statements – statement of income and expenses on behalf of the Territory, statement of assets and liabilities on behalf of the Territory and statement of cash flows on behalf of the Territory; and
- Notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Directorate's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with the Australian Accounting Standards.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Directorate in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Directorate for the financial statements

The Director-General is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996* and the relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Directorate to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

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T 02 6207 0833 F 02 6207 0826 E actauditorgeneral@act.gov.au W www.audit.act.gov.au

Auditor's responsibilities for the audit of the financial statements

Under the *Financial Management Act 1996*, I am responsible for issuing an audit report that includes an independent opinion on the financial statements of the Directorate.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Directorate's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directorate;
- conclude on the appropriateness of the Directorate's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Directorate's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Directorate to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Director-General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Michael Harris
Auditor-General
22 September 2021

Independent Auditor's Report

[Insert the Report from the ACT Audit Office.]

**Transport Canberra and City Services Directorate
Financial Statements
For the Year Ended 30 June 2021**

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Transport Canberra and City Services Directorate's (Directorate's) accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2021 and the financial position of the Directorate on that date.



Alison Playford

Director-General

Transport Canberra and City Services Directorate

17 September 2021

**Transport Canberra and City Services Directorate
Financial Statements
For the Year Ended 30 June 2021**

Statement by the Chief Financial Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards and agree with the Transport Canberra and City Services Directorate's (Directorate's) accounts and records and fairly reflect the financial operations of the Directorate for the year ended 30 June 2021 and the financial position of the Directorate on that date.

Andrew Pedersen

Andrew Pedersen

Chief Financial Officer

Transport Canberra and City Services Directorate

17 September 2021

TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

CONTROLLED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2021**

Transport Canberra and City Services Directorate
Operating Statement
For the Year Ended 30 June 2021

| | Note No. | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|---|---------------------|-----------------------------------|--|-----------------------------------|
| Income | | | | |
| <i>Revenue</i> | | | | |
| Controlled Recurrent Payments | 3 | 463,863 | 471,136 | 412,082 |
| Sales of Goods and Services from Contracts with Customers | 4 | 25,249 | 26,984 | 28,178 |
| Fees and Fines | | 11,252 | 6,988 | 9,145 |
| Grants and Contributions | 5 | 152,414 | 135,759 | 88,601 |
| Other Revenue | | 14,402 | 12,433 | 7,679 |
| Total Revenue | | 667,180 | 653,300 | 545,685 |
| Gains from Disposal of Assets | | 508 | - | 323 |
| Total Gains | | 508 | - | 323 |
| Total Income | | 667,688 | 653,300 | 546,008 |
| Expenses | | | | |
| Employee Expenses | 6 | 100,275 | 91,600 | 89,514 |
| Superannuation Expenses | 7 | 14,730 | 15,859 | 12,761 |
| Supplies and Services | 8 | 194,627 | 209,159 | 172,664 |
| Depreciation and Amortisation | 9 | 196,108 | 196,853 | 187,274 |
| Grants and Purchased Services | 10 | 196,448 | 199,845 | 180,212 |
| Borrowing Costs | | 365 | 455 | 298 |
| Expensing of Capital Works in Progress | | 13,641 | - | 13,262 |
| Other Expenses | | 3,424 | 428 | 2,344 |
| Total Expenses | | 719,618 | 714,199 | 658,329 |
| Operating (Deficit) | | (51,930) | (60,899) | (112,321) |
| Other Comprehensive Income/(Deficit) | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Increase in the Asset Revaluation Surplus | 21 | 31,299 | 20,328 | 51,214 |
| Total Other Comprehensive Income | | 31,299 | 20,328 | 51,214 |
| Total Comprehensive (Deficit) | | (20,631) | (40,571) | (61,107) |

The above Operating Statement should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate
Balance Sheet
At 30 June 2021

| | Note | Actual | Original | Actual |
|--------------------------------------|-------------|-------------------|-------------------|-------------------|
| | No. | 2021 | Budget | 2020 |
| | | \$'000 | \$'000 | \$'000 |
| Current Assets | | | | |
| Cash and Cash Equivalents | 12 | 15,773 | 24,317 | 17,316 |
| Receivables | 13 | 16,101 | 12,864 | 12,366 |
| Inventories | | 1,445 | 1,479 | 1,443 |
| Other Assets | | 1,359 | 379 | 845 |
| Total Current Assets | | 34,678 | 39,039 | 31,970 |
| Non-Current Assets | | | | |
| Property, Plant and Equipment | 14 | 10,267,062 | 10,399,620 | 10,181,172 |
| Capital Works in Progress | 15 | 177,133 | 79,716 | 159,211 |
| Intangible Assets | | 1,043 | 4,958 | 1,538 |
| Total Non-Current Assets | | 10,445,238 | 10,484,294 | 10,341,921 |
| Total Assets | | 10,479,916 | 10,523,333 | 10,373,891 |
| Current Liabilities | | | | |
| Payables | 16 | 31,900 | 28,104 | 27,214 |
| Lease Liabilities | 17 | 5,150 | 5,804 | 5,804 |
| Employee Benefits | 18 | 33,951 | 32,801 | 30,993 |
| Other Provisions | 19 | 10,063 | 9,000 | 20,029 |
| Contract Liabilities | | 2,614 | 2,377 | 2,342 |
| Other Liabilities | 20 | 3,782 | 123 | 123 |
| Total Current Liabilities | | 87,460 | 78,209 | 86,505 |
| Non-Current Liabilities | | | | |
| Lease Liabilities | 17 | 7,940 | 8,459 | 8,459 |
| Employee Benefits | 18 | 2,086 | 2,048 | 1,906 |
| Other Provisions | 19 | 17,508 | 1,000 | 10,000 |
| Other Liabilities | 20 | 12,118 | 13,143 | 16,657 |
| Total Non-Current Liabilities | | 39,652 | 24,650 | 37,022 |
| Total Liabilities | | 127,112 | 102,859 | 123,527 |
| Net Assets | | 10,352,804 | 10,420,474 | 10,250,364 |
| Equity | | | | |
| Accumulated Funds | | 5,946,816 | 6,025,457 | 5,875,675 |
| Asset Revaluation Surplus | 21 | 4,405,988 | 4,395,017 | 4,374,689 |
| Total Equity | | 10,352,804 | 10,420,474 | 10,250,364 |

The above Balance Sheet should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate
Statement of Changes in Equity
For the Year Ended 30 June 2021

| | | Accumulated Funds | Asset Revaluation Surplus | Total Equity | Original Budget |
|--|------|-------------------|---------------------------|-------------------|-------------------|
| | Note | Actual | Actual | Actual | Budget |
| | No. | 2021 | 2021 | 2021 | 2021 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 July 2020 | | 5,875,675 | 4,374,689 | 10,250,364 | 10,250,364 |
| Comprehensive Income | | | | | |
| Operating (Deficit) | | (51,930) | - | (51,930) | (60,899) |
| Increase in the Asset Revaluation Surplus | 21 | - | 31,299 | 31,299 | 20,328 |
| Total Comprehensive (Deficit)/Income | | (51,930) | 31,299 | (20,631) | (40,571) |
| Transactions Involving Owners Affecting Accumulated Funds | | | | | |
| Capital Injections ^a | | 139,760 | - | 139,760 | 210,560 |
| Capital Payments to Transport Canberra Operations (TCO) | | (16,024) | - | (16,024) | - |
| Net (Liabilities)/Assets Transferred in due to Administrative Arrangement ^b | 22 | (665) | - | (665) | 121 |
| Total Transactions Involving Owners Affecting Accumulated Funds | | 123,071 | - | 123,071 | 210,681 |
| Balance at 30 June 2021 | | 5,946,816 | 4,405,988 | 10,352,804 | 10,420,474 |

a) Capital Injections include capital payments of \$139.8 million mostly for the following projects: \$66.5 million for road upgrades and safety, \$11.3 million for Active Travel, \$9.3 million for Better Suburbs and Town Centres, \$6.7 million for Stormwater, \$6.3 million for Better Public Transport, \$5.3 million for Essential Waste Management Infrastructure and Managing Waste Better, \$4.0 million for Library Enhancement and Redevelopment, \$3.6 million for Bus Stops and New Woden Bus Depot and \$3.5 million for Sportgrounds Facilities Upgrades.

b) Net (Liabilities) Transferred in due to Administrative Arrangement relates to the transfer of Transport regulation and safety function from the Justice and Community Safety Directorate. Refer to Note 22 Restructure of Administrative Arrangements for further information.

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate
Statement of Changes in Equity – Continued
For the Year Ended 30 June 2021

| | | Accumulated | Asset | Total |
|--|------|------------------|------------------|-------------------|
| | | Funds | Revaluation | Equity |
| | | Actual | Surplus | Actual |
| | Note | 2020 | 2020 | 2020 |
| | No. | \$'000 | \$'000 | \$'000 |
| Balance at 1 July 2019 | | 6,267,494 | 4,323,475 | 10,590,969 |
| Comprehensive Income | | | | |
| Operating (Deficit) | | (112,321) | - | (112,321) |
| Increase in the Asset Revaluation Surplus | 21 | - | 51,214 | 51,214 |
| Total Comprehensive (Deficit)/Income | | (112,321) | 51,214 | (61,107) |
| Transactions Involving Owners | | | | |
| Affecting Accumulated Funds | | | | |
| Capital Injections | | 157,234 | - | 157,234 |
| Capital Payments to TCO | | (32,899) | - | (32,899) |
| Net Assets Transferred out due to Administrative Arrangement | 22 | (2,997) | - | (2,997) |
| Net Assets Transferred from Major Projects Canberra | | 2,976 | - | 2,976 |
| Net Assets Transferred to TCO | 21 | (403,812) | - | (403,812) |
| Total Transactions Involving Owners Affecting Accumulated Funds | | (279,498) | - | (279,498) |
| Balance at 30 June 2020 | | 5,875,675 | 4,374,689 | 10,250,364 |

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate
Statement of Cash Flows
For the Year Ended 30 June 2021

| | Note No. | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|--|-------------|--------------------------|--------------------------------------|--------------------------|
| Cash Flows from Operating Activities | | | | |
| Receipts | | | | |
| Controlled Recurrent Payments | | 463,863 | 471,136 | 412,082 |
| Sales of Goods and Services from Contracts with Customers | | 26,855 | 25,707 | 26,110 |
| Fees and Fines | | 10,514 | 7,309 | 8,799 |
| Grants and Contributions | | 2,117 | - | 1,543 |
| Goods and Services Input Tax Credits from the Australian Taxation Office | | 29,874 | 20,558 | 31,353 |
| Goods and Services Tax Collected from Customers | | 3,820 | 3,330 | 4,448 |
| Other | | 10,836 | 13,773 | 6,279 |
| Total Receipts from Operating Activities | | 547,879 | 541,813 | 490,614 |
| Payments | | | | |
| Employees | | 97,881 | 90,008 | 83,566 |
| Superannuation | | 14,638 | 15,855 | 12,644 |
| Supplies and Services | | 188,267 | 208,693 | 170,970 |
| Grants and Purchased Services | | 196,442 | 199,845 | 180,193 |
| Borrowing Costs | | 50 | 216 | 55 |
| Goods and Services Tax Input Tax Paid to the Australian Taxation Office | | 3,993 | 3,453 | 4,370 |
| Goods and Services Tax Paid to Suppliers | | 30,964 | 20,405 | 31,706 |
| Other | | 3,583 | - | 60 |
| Total Payments from Operating Activities | | 535,818 | 538,475 | 483,564 |
| Net Cash Inflows from Operating Activities | 26 | 12,061 | 3,338 | 7,050 |
| Cash Flows from Investing Activities | | | | |
| Receipts | | | | |
| Proceeds from Sale of Property, Plant and Equipment | | 472 | - | 456 |
| Total Receipts from Investing Activities | | 472 | - | 456 |
| Payments | | | | |
| Purchase of Property, Plant and Equipment | | 5,631 | 16,083 | 6,072 |
| Purchase of Capital Works in Progress | | 125,394 | 184,732 | 120,627 |
| Purchase of Intangibles | | - | 1,122 | 46 |
| Total Payments from Investing Activities | | 131,025 | 201,937 | 126,745 |
| Net Cash (Outflows) from Investing Activities | | (130,553) | (201,937) | (126,289) |

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate
Statement of Cash Flows – Continued
For the Year Ended 30 June 2021

| | Note No. | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|--|---------------------|-----------------------------------|--|-----------------------------------|
| Cash Flows from Financing Activities | | | | |
| Receipts | | | | |
| Capital Injections | | 139,760 | 227,437 | 157,234 |
| Receipts of Transferred Cash Balances (Administrative Arrangements) | | 168 | - | - |
| Carbon Neutral Fund Loan from the Environment, Planning and Sustainable Development Directorate (EPSDD) | | - | - | 217 |
| Total Receipts from Financing Activities | | 139,928 | 227,437 | 157,451 |
| Payments | | | | |
| Repayment of Borrowings | | 30 | 30 | 70 |
| Repayment of Lease Liabilities - Principal | | 6,925 | 4,930 | 5,804 |
| Capital Payments to TCO | | 16,024 | 16,877 | 32,899 |
| Payment of Transferred Cash Balances (Administrative Arrangements) | | - | - | 1,319 |
| Payment of Transferred Cash Balances to TCO | | - | - | 6,129 |
| Total Payments from Financing Activities | | 22,979 | 21,837 | 46,221 |
| Net Cash Inflows from Financing Activities | | 116,949 | 205,600 | 111,230 |
| Net (Decrease)/Increase in Cash and Cash Equivalents | | | | |
| | | (1,543) | 7,001 | (8,009) |
| Cash and Cash Equivalents at the Beginning of the Reporting Period | | 17,316 | 17,316 | 25,325 |
| Cash and Cash Equivalents at the End of the Reporting Period | 26 | 15,773 | 24,317 | 17,316 |

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes.

**Transport Canberra and City Services Directorate
Summary of Directorate Output Classes
For the Year Ended 30 June 2021**

| | Output Class 1 Transport Canberra \$'000 | Output Class 2 City Services \$'000 | Intra- Directorate Eliminations \$'000 | Total \$'000 |
|------------------------------------|---|--|---|------------------|
| 2021 | | | | |
| Total Income | 210,513 | 465,702 | (8,527) | 667,688 |
| Total Expenses | 208,320 | 519,825 | (8,527) | 719,618 |
| Operating Surplus/(Deficit) | 2,193 | (54,123) | - | (51,930) |
| 2020 | | | | |
| Total Income | 192,572 | 361,492 | (8,056) | 546,008 |
| Total Expenses | 192,046 | 474,339 | (8,056) | 658,329 |
| Operating Surplus/(Deficit) | 526 | (112,847) | - | (112,321) |

Transport Canberra and City Services Directorate
Operating Statement for Output Class 1 – Transport Canberra
For the Year Ended 30 June 2021

Description

Output Class 1: 'Transport Canberra' includes the Government subsidy received and paid to TCO for the operations of light rail and buses, and the strategic oversight of the public transport network and policy, public transport asset management and the Active Travel Office.

| | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|---|-----------------------------------|--|-----------------------------------|
| Income | | | |
| <i>Revenue</i> | | | |
| Controlled Recurrent Payments | 209,074 | 214,273 | 191,142 |
| Sales of Goods and Services from Contracts with Customers | 342 | - | 295 |
| Grants and Contributions | 730 | 579 | 925 |
| Other Revenue | 365 | 242 | 210 |
| <i>Total Revenue</i> | <u>210,511</u> | <u>215,094</u> | <u>192,572</u> |
| Gains from Disposal of Assets | 2 | - | - |
| <i>Total Gains</i> | <u>2</u> | <u>-</u> | <u>-</u> |
| Total Income | <u>210,513</u> | <u>215,094</u> | <u>192,572</u> |
| Expenses | | | |
| Employee Expenses | 7,304 | 7,178 | 6,744 |
| Superannuation Expenses | 1,094 | 1,613 | 1,017 |
| Supplies and Services | 4,747 | 8,196 | 4,820 |
| Depreciation and Amortisation | 19 | 43 | - |
| Grants and Purchased Services | 194,653 | 198,936 | 179,445 |
| Other Expenses | 503 | - | 20 |
| Total Expenses | <u>208,320</u> | <u>215,966</u> | <u>192,046</u> |
| Operating Surplus/(Deficit) | <u>2,193</u> | <u>(872)</u> | <u>526</u> |

Transport Canberra and City Services Directorate

Operating Statement for Output Class 2 – City Services

For the Year Ended 30 June 2021

Description

Output Class 2: 'City Services' includes:

- **2.1: Roads and Infrastructure** – management of the Territory's roads and associated assets, stormwater infrastructure, community paths, bridges, traffic signals, streetlights and car parks. This Output also includes the provision of asset information services, transport regulation and safety, capital works and development approvals relating to the acceptance of new infrastructure assets.
- **2.2: Library Services** – provision of library services to the community through Libraries ACT branches, home library service, the ACT Virtual Library and the Heritage Library.
- **2.3: Waste and Recycling** – provision of domestic waste, recyclables and green waste collection services, operation of resource management and recycling centres, development of waste policy, and implementation and evaluation of waste management programs.
- **2.4: City Maintenance and Services** – planning and management of the Territory's parks and urban open space system including associated community infrastructure, maintaining the look and feel of the city, and managing the urban forest and sports ground facilities. This Output also includes advice, education and compliance services in relation to municipal ranger functions, domestic animal management, plant and animal licensing and the Yarralumla Nursery.
- **2.5: Capital Linen Service** – provides linen services to a range of customers including public and private hospitals, health and aged care providers, hotels, restaurants, major tourist attractions, educational institutions and emergency services.

| | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|---|--------------------------|--------------------------------------|--------------------------|
| Income | | | |
| <i>Revenue</i> | | | |
| Controlled Recurrent Payments | 254,789 | 256,863 | 220,940 |
| Sales of Goods and Services from Contracts with Customers | 25,220 | 26,984 | 34,916 |
| Fees and Fines | 11,252 | 6,988 | 9,145 |
| Grants and Contributions | 151,684 | 135,180 | 87,676 |
| Other Revenue | 22,251 | 12,191 | 8,492 |
| Total Revenue | 465,196 | 438,206 | 361,169 |
| Gains from Disposal of Assets | 506 | - | 323 |
| <i>Total Gains</i> | 506 | - | 323 |
| Total Income | 465,702 | 438,206 | 361,492 |
| Expenses | | | |
| Employee Expenses | 92,996 | 84,422 | 82,705 |
| Superannuation Expenses | 13,636 | 14,246 | 11,744 |
| Supplies and Services | 198,362 | 199,774 | 175,235 |
| Depreciation and Amortisation | 196,089 | 197,999 | 187,274 |
| Grants and Purchased Services | 1,795 | 909 | 769 |
| Borrowing Costs | 365 | 455 | 298 |
| Expensing of Capital Works in Progress | 13,641 | - | 13,262 |
| Other Expenses | 2,941 | 428 | 3,052 |
| Total Expenses | 519,825 | 498,233 | 474,339 |
| Operating (Deficit) | (54,123) | (60,027) | (112,847) |

**Transport Canberra and City Services Directorate
Disaggregated Disclosure of Assets and Liabilities
At 30 June 2021**

DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES

At 30 June 2021

| | Output Class 1 Transport Canberra \$'000 | Output Class 2 City Services \$'000 | Total \$'000 |
|--------------------------------------|---|--|-------------------|
| Current Assets | | | |
| Cash and Cash Equivalents | - | 15,773 | 15,773 |
| Receivables | 16 | 16,085 | 16,101 |
| Inventories | - | 1,445 | 1,445 |
| Other Assets | - | 1,359 | 1,359 |
| Total Current Assets | 16 | 34,662 | 34,678 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | - | 10,267,062 | 10,267,062 |
| Capital Works in Progress | - | 177,133 | 177,133 |
| Intangible Assets | - | 1,043 | 1,043 |
| Total Non-Current Assets | - | 10,445,238 | 10,445,238 |
| Total Assets | 16 | 10,479,900 | 10,479,916 |
| Current Liabilities | | | |
| Payables | 215 | 31,685 | 31,900 |
| Lease Liabilities | - | 5,150 | 5,150 |
| Employee Benefits | 202 | 33,749 | 33,951 |
| Other Provisions | - | 10,063 | 10,063 |
| Contract Liabilities | - | 2,614 | 2,614 |
| Other Liabilities | - | 3,782 | 3,782 |
| Total Current Liabilities | 417 | 87,043 | 87,460 |
| Non-Current Liabilities | | | |
| Lease Liabilities | - | 7,940 | 7,940 |
| Employee Benefits | 68 | 2,018 | 2,086 |
| Other Provisions | - | 17,508 | 17,508 |
| Other Liabilities | - | 12,118 | 12,118 |
| Total Non-Current Liabilities | 68 | 39,584 | 39,652 |
| Total Liabilities | 485 | 126,627 | 127,112 |
| Net (Liabilities)/Assets | (469) | 10,353,273 | 10,352,804 |

Transport Canberra and City Services Directorate
Disaggregated Disclosure of Assets and Liabilities
At 30 June 2021

DISAGGREGATED DISCLOSURE OF ASSETS AND LIABILITIES – CONTINUED

At 30 June 2020

| | Output Class 1 Transport Canberra \$'000 | Output Class 2 City Services \$'000 | Total \$'000 |
|--------------------------------------|---|--|-------------------|
| Current Assets | | | |
| Cash and Cash Equivalents | - | 17,316 | 17,316 |
| Receivables | 74 | 12,292 | 12,366 |
| Inventories | - | 1,443 | 1,443 |
| Other Assets | - | 845 | 845 |
| Total Current Assets | 74 | 31,896 | 31,970 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | - | 10,181,172 | 10,181,172 |
| Capital Works in Progress | - | 159,211 | 159,211 |
| Intangible Assets | - | 1,538 | 1,538 |
| Total Non-Current Assets | - | 10,341,921 | 10,341,921 |
| Total Assets | 74 | 10,373,817 | 10,373,891 |
| Current Liabilities | | | |
| Payables | - | 27,214 | 27,214 |
| Lease Liabilities | - | 5,804 | 5,804 |
| Employee Benefits | - | 30,993 | 30,993 |
| Other Provisions | - | 20,029 | 20,029 |
| Contract Liabilities | - | 2,342 | 2,342 |
| Other Liabilities | - | 123 | 123 |
| Total Current Liabilities | - | 86,505 | 86,505 |
| Non-Current Liabilities | | | |
| Lease Liabilities | - | 8,459 | 8,459 |
| Employee Benefits | - | 1,906 | 1,906 |
| Other Provisions | - | 10,000 | 10,000 |
| Other Liabilities | - | 16,657 | 16,657 |
| Total Non-Current Liabilities | - | 37,022 | 37,022 |
| Total Liabilities | - | 123,527 | 123,527 |
| Net Assets | 74 | 10,250,290 | 10,250,364 |

Transport Canberra and City Services Directorate
Controlled Statement of Appropriation
For the Year Ended 30 June 2021

| | Original Budget 2021 \$'000 | Total Appropriated 2021 \$'000 | Appropriation Drawn 2021 \$'000 | Appropriation Drawn 2020 \$'000 |
|---------------------------------------|--------------------------------------|--------------------------------------|--|--|
| Controlled | | | | |
| Controlled Recurrent Payments | 471,136 | 471,136 | 463,863 | 412,082 |
| Capital Injections | 227,437 | 227,437 | 139,760 | 157,234 |
| Total Controlled Appropriation | 698,573 | 698,573 | 603,623 | 569,316 |

The above Controlled Statement of Appropriation should be read in conjunction with the accompanying Notes.

Column Heading Explanations

The Original Budget column shows the amounts that appear in the Statement of Cash Flows in the Budget Papers.

The Total Appropriated column is inclusive of all appropriation variations occurring after the Original Budget.

The Appropriation Drawn is the total amount of appropriation received by the Directorate during the year. This amount appears in the Statement of Cash Flows.

Reconciliation of Appropriation for 2020-21

| | Controlled Recurrent Payments 2021 \$'000 | Capital Injections 2021 \$'000 |
|----------------------------------|--|---|
| Total Appropriated | 471,136 | 227,437 |
| Undrawn Funds | (7,273) | (87,677) |
| Total Appropriation Drawn | 463,863 | 139,760 |

Controlled Recurrent Payments

Undrawn Controlled Recurrent Payments are mainly related to deferral and delays of feasibility and design studies and improvements for community infrastructure (\$5.4 million) and road safety grant and improvement projects (\$1.6 million). The undrawn amounts are largely due to extensive stakeholder consultations associated with design projects, late receipt of grant reports and delays in implementation of contracts.

Transport Canberra and City Services Directorate Controlled Statement of Appropriation – Continued For the Year Ended 30 June 2021

Capital Injections

Capital Injections of \$87.7 million were undrawn mainly due to the deferral and delays of capital infrastructure projects. Significant undrawn projects included:

- Monaro Highway (\$23.2 million);
- Material Recovery Facility (\$8.3 million);
- Better buses to support the new bus network (\$6.8 million);
- Green Waste Rollout (\$5.6 million);
- New Bus Depot at Woden (\$4.1 million);
- Rehabilitating landfill sites (\$2.9 million);
- Molonglo River Bridge (\$2.8 million);
- Essential Waste Management Infrastructure (\$2.4 million); and
- Athllon Drive Duplication (\$2.0 million).

The remaining balance is related to capital infrastructure projects that are lower in value.

COVID-19 Funding Disclosure

Appropriation drawn in 2020-21 included the following funding to support the local economy in response to the COVID-19 pandemic:

| Controlled Recurrent Payments | Capital Injections | Details |
|--------------------------------------|---------------------------|---|
| \$18.2 million | - | To fund shortfalls in public transport patronage revenues (passed onto Transport Canberra Operations), sportsgrounds hire fee waivers and increased cleaning and security costs in our public spaces such as libraries, shopping centres and parks. |
| - | \$10.7 million | To fund Shovel Ready Projects and Road Safety Works Program to complete capital infrastructure projects and stimulate the ACT economy. |
| \$5.6 million | \$6.2 million | As part of Improving the Look and Feel of the City initiative to modernise local shopping centres and the city centre, new public toilets and additional maintenance activities. |
| \$2.1 million | \$2.0 million | As part of Fast Track Program to stimulate the ACT economy and undertake additional mowing around the Territory. |
| \$3.0 million | \$4.6 million | As part of Commonwealth Government's Local Roads and Community Infrastructure Program to deliver priority local road and community infrastructure projects. |
| \$2.0 million | - | As part of the Urban Forest and Public Realm program for additional tree planting and maintenance, playground refreshes and public space maintenance. |

Transport Canberra and City Services Directorate

Controlled Note Index

For the Year Ended 30 June 2021

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Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 1 OBJECTIVES OF THE DIRECTORATE

Operations and Principal Activities

Transport Canberra and City Services Directorate (Directorate) helps Canberrans to be well connected to their community and lifestyle opportunities. The Directorate's transport plan makes it easier for people to travel around Canberra while the Directorate also provides enhanced public parks and places with a focus on urban renewal. Delivery of these services is citizen-focused and innovative and contributes to the improved liveability of the city.

Contributing to the long-term growth of Canberra, the Directorate delivers an attractive cityscape and amenities, an effective road network and an integrated public transport system, and services that are necessary to support a flourishing community and attract business investment.

In particular, the Directorate has a long term focus of delivering a fully integrated public transport system incorporating light rail, bus services and active travel to deliver upon a vision that is safe, efficient, reliable, affordable and a convenient public transport network for Canberra.

The Directorate also delivers a range of innovative services to the community including libraries, waste and recycling services, safer walking and cycling around schools, city amenity, infrastructure maintenance, animal welfare, and management and maintenance of the Territory's assets including recreational and sportsgrounds facilities, local shops amenities, playground equipment and upkeep of the city. In designing and delivering these services, the Directorate strives to make them accessible for all members of the community.

The Directorate is responsible for the planning, building and maintenance of many of the Government's infrastructure assets such as stormwater assets, roads, bridges, cycling and community paths and the streetlight network. It plays an important role in managing the city's open space, parks and neighbourhood play areas, domestic animal services, animal welfare, licensing and compliance services and permits for public land use.

Capital Linen Service, ACT NoWaste and Yarralumla Nursery are also managed by the Directorate. The Directorate has administrative oversight responsibility for the Cemeteries and Crematoria Authority (the Cemeteries Authority) which operates the Woden, Gungahlin and Hall cemeteries. The Cemeteries Authority is a separate reporting entity that prepares separate financial statements which are annexed to the Directorate's Annual Report.

Transport Canberra Operations (TCO), Canberra's public transport provider, is also part of the Directorate. TCO is a public trading enterprise within the Directorate. TCO is a separate reporting entity with its own financial information, strategic and accountability indicators and reports separately within the Directorate's Annual Report.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

LEGISLATIVE REQUIREMENT

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government Directorates.

The FMA, and the *Financial Management Guidelines* issued under the FMA require the Directorate's financial statements to include:

- (i) an Operating Statement for the reporting period;
- (ii) a Balance Sheet at the end of the reporting period;
- (iii) a Statement of Changes in Equity for the reporting period;
- (iv) a Statement of Cash Flows for the reporting period;
- (v) a Statement of Appropriation for the reporting period;
- (vi) an Operating Statement for each class of output for the reporting period;
- (vii) the significant accounting policies adopted for the reporting period; and
- (viii) other statements as necessary to fairly reflect the financial operations of the Directorate during the reporting period and its financial position as at the end of the reporting period.

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. Accordingly, these financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting and Disclosure Policies.

ACCRUAL ACCOUNTING

The Financial Statements have been prepared using the accrual basis of accounting. The Financial Statements are prepared according to the historical cost convention, except for Property, Plant and Equipment, and Financial Instruments that are valued at fair value in accordance with the valuation policies applicable to the Directorate during the reporting period.

GOING CONCERN

The 2020-21 Financial Statements have been prepared on a going concern basis as the Directorate provides essential services to ACT residents and funded in the 2021-22 Budget. The 2021-22 Budget will be presented in the Legislative Assembly and debated subsequent to the signing of these Financial Statements.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS — CONTINUED

At 30 June 2021, the Directorate's Current Liabilities (\$87.5 million) exceeded its Current Assets (\$34.7 million) by \$52.8 million. Whilst there have been deficits over the past few years, this is not considered a liquidity risk as the Directorate's cash needs are funded through an appropriation by the ACT Government on a cash-needs basis. This is consistent with the whole of Government cash management regime, which requires excess cash balances to be held centrally rather than within individual agency bank accounts.

IMPACT OF COVID-19

The Directorate has assessed the impact of the COVID-19 pandemic on the balances included in its financial statements. The recoverability of Receivables and values of its Property, Plant and Equipment are the two areas that may potentially be significantly impacted by the continuing COVID-19 pandemic. The Directorate has concluded that the COVID-19 pandemic has not had a material impact on either of these balances. Significant variances associated with change in operation compared to budget and prior year resulting from the COVID-19 pandemic are explained within the relevant notes and Note 28 Budgetary Reporting.

CURRENCY

These Financial Statements are presented in Australian dollars.

INDIVIDUAL REPORTING ENTITY

The Directorate is an individual financial reporting entity.

CONTROLLED AND TERRITORIAL ITEMS

The Directorate produces Controlled and Territorial financial statements. The Controlled Financial Statements include income, expenses, assets and liabilities over which the Directorate has control. The Territorial Financial Statements include income, expenses, assets and liabilities that the Directorate administers on behalf of the ACT Government, but does not control.

The purpose of the distinction between Controlled and Territorial is to enable an assessment of the Directorate's performance against the decisions it has made in relation to the resources it controls while maintaining accountability for all resources under its responsibility.

The basis of preparation described applies to both Controlled and Territorial Financial Statements except where specified otherwise.

BUDGET FIGURES

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information included in the Original Budget Papers for 2020-21 has been presented in the Financial Statements.

ROUNDING

All amounts in the Financial Statements have been rounded to the nearest thousand dollars (\$'000).

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

INCOME NOTES

Revenue Recognition

Revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers (AASB 15) where the contract is enforceable and contains sufficiently specific performance obligations, otherwise revenue is in the scope of AASB 1058 Income of Not-for-Profit Entities (AASB 1058).

NOTE 3 CONTROLLED RECURRENT PAYMENTS

Controlled Recurrent Payments (CRP) are received from the ACT Government to fund the costs of delivering outputs. CRP are recognised when the Directorate gains control over the funding which is normally obtained upon the receipt of cash, given they do not contain enforceable and sufficiently specific performance obligations as defined by AASB 15.

Community Service Obligations revenue is received mainly for the TCO's public transport operations.

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Controlled Recurrent Payments ^a | 268,909 | 232,331 |
| Community Service Obligations ^b | 194,954 | 179,751 |
| Total Controlled Recurrent Payments | 463,863 | 412,082 |

a) The increase (\$36.6 million) is mainly due to additional funding in 2020-21:

- to stimulate the Territory's economy by delivering shovel ready projects (\$12.7 million);
- for new initiatives (\$10.5 million), including collections of green waste and household bulky waste, planting more trees and enhancements to online platforms;
- for supplementation of revenue losses due to the COVID-19 pandemic (\$7.4 million); and
- for the transfer of Roads Safety and Transport Regulation function from the Justice and Community Safety Directorate (JACS) (\$3.6 million).

b) The increase (\$15.2 million) is mainly due to additional funding in 2020-21:

- received from the ACT Government (\$10.8 million) to offset reduction in fare revenue resulting from the COVID-19 pandemic; and
- for the bus operations (\$10.2 million).

These were partially offset by one-off Treasurer's Advance received in 2019-20 (\$5.2 million) to subsidise the shortfall of fare revenue as a result of the COVID-19 pandemic.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 4 SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS

Revenue recognised in this note is that within the scope of AASB 15. The Directorate has undertaken a review to determine whether the goods and services it provides need to be classified as revenue from contracts with customers in accordance with AASB 15. This review involved obtaining information about contracts and other arrangements to make an assessment about whether any of these arrangements fall within the scope of AASB 15. The Directorate then assessed its revenue from contracts with customers to determine the timing and nature of the satisfaction of performance obligations.

The Directorate earns revenue from providing goods and services to other ACT Government agencies and to the public. Revenue is based on the transfer of promised goods or services to customers at an amount that reflects the consideration in exchange for those goods or services. Revenue is recognised by applying a five step model under AASB 15.

The timing of the payment for sale of goods and rendering of services largely corresponds with the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. The Directorate does not offer volume discounts to its customers.

Rendering of Services

Rendering of Services predominantly relates to the linen services, hiring of sports ground and community facilities, library services, and Birrigai outdoor school. The performance obligation for these revenue sources is the delivery of service to the customer. The Directorate meets its performance obligations and records revenue when the service is delivered to the customer.

Acceptance Fees for Contaminated Waste

Acceptance Fees for Contaminated Waste is for the disposal of waste relating to asbestos, animal carcasses and other waste requiring special burial arrangements. The performance obligation is the provision of landfill site access to a customer. The Directorate meets its performance obligations and records revenue at the time of disposal of contaminated waste at the landfill sites.

Sale of Goods

Sale of Goods largely relates to plant sales at the Yarralumla Nursery and green bin sales to ACT residents. The performance obligation is the supply of plants and green bins to a customer. Revenue is recognised on the transfer of physical possession to a customer.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 4 SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS – CONTINUED

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| ACT Government Customers | | |
| Acceptance Fees for Contaminated Waste ^a | 1,299 | 5,295 |
| Rendering of Services | 8,214 | 7,813 |
| Sale of Goods | 70 | 27 |
| Total Sales of Goods and Services to ACT Government Customers | 9,583 | 13,135 |
| Non-ACT Government Customers | | |
| Acceptance Fees for Contaminated Waste | 515 | 490 |
| Rendering of Services | 12,822 | 12,334 |
| Sale of Goods | 2,329 | 2,219 |
| Total Sales of Goods and Services to Non-ACT Government Customers | 15,666 | 15,043 |
| Total Sales of Goods and Services from Contracts with Customers | 25,249 | 28,178 |

- a) The decrease is mainly due to a higher amount of asbestos waste from the Loose-fill Asbestos Insulation Eradication Scheme (Mr Fluffy) blocks being disposed at the West Belconnen landfill site in the prior year. Under the Scheme, the majority of the contaminated sites have now been remediated.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 5 GRANTS AND CONTRIBUTIONS

Revenue recognised in this note is that within the scope of AASB 1058 and based on the asset received (generally cash or other financial asset) at fair value.

When the Directorate receives an asset or services for significantly less than fair value, revenue is recognised on receipt of the asset / services. Where services are received, the expense is recognised in the line item to which it relates.

Resources Received Free of Charge

Goods and services received free of charge from ACT Government agencies are recognised as resources received free of charge, whereas goods and services received free of charge from entities external to the ACT Government are recognised as donations or contributions.

Services that are received free of charge are only recognised in the Operating Statement if they can be reliably measured and would have been purchased if not provided free of charge.

Legal Services were received free of charge from the ACT Government Solicitor's Office (GSO) for their representation of the Directorate in ACT Courts. The GSO provided the Directorate with the fair value of the services provided free of charge. As the Directorate had to defend this action in court, it would have had to pay for these services had they not been received free of charge.

The fixed costs from Shared Services are charged for Finance, Human Resources and Records services provided to the Directorate. The Directorate would have had to purchase these services if they were not provided by Shared Services. As such, these amounts have been recognised as resources received free of charge.

Other Services mainly relates to cost of teachers working at the Birrigai Outdoor Education School. The Directorate would have had to employ staff if they were not provided by the Education Directorate. As such, these amounts have been recognised as resources received free of charge.

Other Grants and Contributions

Assets received from ACT Government entities and private developers represent infrastructure assets transferred to the Directorate. These assets include roads, bridges, storm water assets, footpaths, car parks, streetlights and paving. The Directorate is not required to provide any consideration in return for the contributed assets. The Directorate records these assets at transferor's book value and subsequently value these assets in accordance with the Directorate's accounting policies mentioned in Note 14 Property, Plant and Equipment. Timing of asset transfers is dependent on public and private sector developments.

The Waste Education Fund Contribution is a community program run by the Directorate providing education on waste recycling opportunities. The fund receives contributions from private sector waste recycling entities. The Directorate is not required to provide any consideration in return for the contributed amounts.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 5 GRANTS AND CONTRIBUTIONS – CONTINUED

| | 2021 | 2020 |
|---|----------------|---------------|
| | \$'000 | \$'000 |
| Resources Received Free of Charge | | |
| Legal Services | 1,400 | 1,191 |
| Shared Services Finance - Fixed Costs | 1,225 | 1,414 |
| Shared Services Human Resources - Fixed Costs | 961 | 868 |
| Shared Services Records Services - Fixed Costs | 43 | 122 |
| Other Services | 1,356 | 1,189 |
| Total Resources Received Free of Charge | 4,985 | 4,784 |
| Other Grants and Contributions | | |
| Assets Received from ACT Government Entities ^a | 129,339 | 69,137 |
| Assets Received from Private Developers | 15,974 | 13,137 |
| Waste Education Fund Contribution | 1,557 | 1,522 |
| Contributions | 559 | 21 |
| Total Other Grants and Contributions | 147,429 | 83,817 |
| Total Grants and Contributions | 152,414 | 88,601 |

- a) The increase (\$60.2 million) is mainly due to stormwater assets (Healthy Waterways) received (\$57.9 million) from the Environment, Planning and Sustainable Development Directorate (EPSDD).

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

EXPENSE NOTES

NOTE 6 EMPLOYEE EXPENSES

| | 2021 | 2020 |
|---|----------------|---------------|
| | \$'000 | \$'000 |
| Wages and Salaries ^a | 89,205 | 76,044 |
| Annual Leave Expense | 6,265 | 6,442 |
| Workers' Compensation Insurance Premium | 2,507 | 2,268 |
| Long Service Leave Expense ^b | 1,886 | 4,327 |
| Termination Expense | 28 | 97 |
| Payroll Tax | 219 | 201 |
| Other Employee Benefits and On-Costs | 165 | 135 |
| Total Employee Expenses | 100,275 | 89,514 |

a) The increase (\$13.2 million) is mainly due to higher:

- salary rates under the enterprise agreements; and
- number of staff employed mainly for the Jobs for Canberrans program. This program provides work opportunities for people who have lost their jobs due to the COVID-19 pandemic. 75 average full-time equivalent staff were employed under this program.

b) The decrease (\$2.4 million) is mainly due to a decrease in the rate used to estimate the present value of Long Services Leave liabilities from 113.6% to 108.7% and less leave taken due to the COVID-19 pandemic.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 7 SUPERANNUATION EXPENSES

Employees of the Directorate have different superannuation arrangements due to the type of superannuation scheme available at the time of commencing employment, including both defined benefit and defined contribution superannuation scheme arrangements.

For employees who are members of the defined benefit Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS), the Directorate makes employer superannuation contribution payments to the Territory Banking Account at a rate determined by the Chief Minister, Treasury and Economic Development Directorate. The Directorate also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for administration of the schemes.

For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice), the Directorate makes employer superannuation contribution payments directly to the employees' relevant superannuation fund.

All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. The accruing superannuation liability obligations are expensed as they are incurred and extinguished as they are paid.

Superannuation liability recognition

For employees who are members of the defined benefit CSS or PSS, the employer superannuation liabilities for superannuation benefits payable upon retirement are recognised in the Financial Statements of the Superannuation Provision Account.

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Superannuation to External Providers ^a | 8,482 | 6,688 |
| Superannuation Contributions to the Territory Banking Account | 5,563 | 5,463 |
| Productivity Benefit | 685 | 610 |
| Total Superannuation Expenses | 14,730 | 12,761 |

a) The increase (\$1.8 million) is mainly due to:

- higher number of staff employed by the Directorate, with the majority being members of external superannuation funds;
- higher salary rates under the enterprise agreements; and
- a 0.5% increase to employer superannuation contribution under the enterprise agreements for staff who are members of external superannuation providers.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 8 SUPPLIES AND SERVICES

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Contractors and Consultants ^a | 60,171 | 54,839 |
| Repairs and Maintenance ^b | 69,041 | 54,521 |
| Buildings and Facilities Operating Costs ^c | 23,316 | 24,604 |
| Information Technology and Telecommunications ^d | 14,076 | 12,066 |
| Consumables ^e | 6,121 | 7,752 |
| Lease Costs | 3,144 | 2,658 |
| Insurance | 6,284 | 5,386 |
| Finance, Human Resources and Procurement | 3,223 | 3,011 |
| Legal Costs | 1,693 | 1,434 |
| Communication, Printing and Publication | 1,204 | 826 |
| Other Human Resource Costs | 1,684 | 1,406 |
| Cost of Goods Sold | 1,076 | 910 |
| Staff Development and Training | 1,185 | 1,299 |
| Audit Fees ^f | 318 | 279 |
| Other Supplies and Services | 2,091 | 1,673 |
| Total Supplies and Services | 194,627 | 172,664 |

a) The increase (\$5.3 million) is mainly due to higher:

- contract management expenses relating to green bin collections (\$0.9 million), Mugga Lane waste site (\$0.8 million) and the new Mugga II waste site (\$0.6 million) which commenced operations in July 2020;
- consultancy costs for graffiti artworks program (\$0.6 million), feasibility studies and design works for capital infrastructure projects (\$1.4 million), improving water quality (\$0.5 million), and food and organic waste diversion studies (\$0.5 million); and
- contractors (\$0.8 million) engaged for the delivery of ACT Government's economic stimulus package of works.

b) The increase (\$14.5 million) is mainly due to additional repairs and maintenance works undertaken for roads, bridges and stormwater systems as part of the stimulus packages.

c) The decrease (\$1.3 million) is mainly due to lower:

- electricity costs (\$1.1 million) resulting from the upgrades of Territory's streetlights to energy efficient light emitting diode lights; and
- water charges (\$2.0 million) mainly for the sportsgrounds due to higher than average rainfall.

These were partially offset by higher cleaning costs (\$1.4 million) in public places required due to the COVID-19 pandemic.

d) The increase (\$2.0 million) is mainly due to higher information technology costs associated with new and existing corporate operational systems including waste management and land use systems.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 8 SUPPLIES AND SERVICES – CONTINUED

- e) The decrease (\$1.6 million) is mainly due to less patching roadworks completed by the Directorate's staff, therefore less roads materials (asphalt) being required compared to the previous year. These works were largely completed by external providers and recorded as repairs and maintenance expenses.
- f) Audit Fees are fees paid to the ACT Audit Office for:
- the audits of the financial statements and Commonwealth grant acquittals; and
 - performing a limited assurance engagement on the statement of performance.

No other services were provided by the ACT Audit Office.

NOTE 9 DEPRECIATION AND AMORTISATION

Amortisation is used in relation to intangible assets such as computer software and depreciation is applied to physical assets such as buildings, infrastructure assets, and plant and equipment including Right-Of-Use assets.

Land, road earthworks (which are a component of roads assets included within the Infrastructure Asset class) and some community and heritage assets have an unlimited useful life and are therefore not depreciated.

Leasehold improvements and plant and equipment under lease are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

The useful lives of all major assets held by the Directorate are reassessed on an annual basis.

All depreciation is calculated after first deducting any residual values which remain for each asset.

The useful lives applied for the depreciation and amortisation of non-current assets are:

| Class of Asset | Depreciation/Amortisation | Useful Life (Years) |
|---|----------------------------------|----------------------------|
| Land Restoration (waste landfill sites) | Straight Line | 6-50 |
| Buildings | Straight Line | 7-50 |
| Leasehold Improvements | Straight Line | 2-40 |
| Plant and Equipment | Straight Line | 3-126 |
| Infrastructure | Straight Line | 5-138 |
| Community and Heritage Assets | Straight Line | 2-100 |
| Intangible Assets | Straight Line | 5 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 9 DEPRECIATION AND AMORTISATION – CONTINUED

| | 2021 | 2020 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| Depreciation | | |
| Infrastructure Assets ^a | 173,217 | 165,729 |
| Plant and Equipment | 7,898 | 7,311 |
| Right-of-Use Plant and Equipment | 6,585 | 5,559 |
| Community and Heritage Assets | 2,258 | 2,710 |
| Buildings | 3,417 | 3,182 |
| Land Restoration | 1,615 | 1,298 |
| Leasehold Improvements | 623 | 1,152 |
| Total Depreciation | 195,613 | 186,941 |
| Amortisation | | |
| Intangible Assets - Internally Generated Software | 495 | 333 |
| Total Amortisation | 495 | 333 |
| Total Depreciation and Amortisation | 196,108 | 187,274 |

- a) The increase (\$7.5 million) is mainly due to the increase in the value of roads, stormwater and waste related infrastructure assets after revaluation in 2019-20 resulting in a higher depreciation expense.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 10 GRANTS AND PURCHASED SERVICES

Payments to TCO are provided for the provision of public transport services.

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Payments to TCO ^a | 194,641 | 179,445 |
| Payments to JACS ^b | 937 | - |
| Grants to Community Organisations | 831 | 749 |
| Other | 39 | 18 |
| Total Grants and Purchased Services | 196,448 | 180,212 |

a) The increase (\$15.2 million) is mainly due to additional funding paid to TCO in 2020-21:

- received from the ACT Government (\$10.8 million) to offset reduction in fare revenue resulting from the COVID-19 pandemic; and
- for the bus operations (\$10.2 million).

These were partially offset by a one-off Treasurer's Advance received in 2019-20 (\$5.2 million) to subsidise the shortfall of fare revenue due to the COVID-19 pandemic.

b) The increase (\$0.9 million) is mainly due to the reimbursement of expenditure to JACS relating to the Road Safety function that was transferred to the Directorate on 4 November 2020. The Directorate received full-year funding and reimbursed JACS for the expenses incurred from 1 July to 3 November 2020. Refer to Note 22 Restructure of Administrative Arrangements for further information.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 11 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

Under Section 131 of the *Financial Management Act 1996*, the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory.

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Waivers | | |
| Waivers | 182 | 245 |
| Total Waivers | 182 | 245 |
| Impairment Losses from Receivables | | |
| Expected Credit Loss Expense ^a | 92 | 712 |
| Total Impairment Losses | 92 | 712 |
| Write-Offs | | |
| Irrecoverable Debts | 46 | 106 |
| Inventory Write-Downs and Stock Losses | 55 | 140 |
| Total Write-Offs | 101 | 246 |
| Total Waivers, Impairment Losses and Write-Offs | 375 | 1,203 |

- a) The decrease (\$0.6 million) is largely due to last year's one-off expected credit loss expense recognised for the outstanding receivables relating to sportsground hire fees from sporting organisations.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

ASSETS NOTES

Assets – Current and Non-Current

Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets which do not fall within the current classification are classified as non-current.

NOTE 12 CASH AND CASH EQUIVALENTS

The Directorate holds a number of bank accounts with the Westpac Banking Corporation as part of the whole-of-government banking arrangements. As part of these arrangements, the Directorate does not receive any interest on these accounts except for the Inner North Reticulation Network bank account.

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Cash at Bank ^a | 15,764 | 17,306 |
| Cash on Hand | 9 | 10 |
| Total Cash and Cash Equivalents | 15,773 | 17,316 |

a) The decrease (\$1.5 million) is mainly due to payments made for capital works during the year.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 13 RECEIVABLES

Accounts Receivable (including trade and other receivables) are measured at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement.

Accrued Revenue is revenue that is owed to the Directorate but has not been invoiced at the end of the reporting period.

Impairment Loss - Receivables

The expected credit loss represents the value of Trade Receivables the Directorate estimates will not be paid. The Directorate applied the simplified approach under AASB 9 'Financial Instruments', which uses a lifetime expected loss for all trade receivables.

The amount of the expected credit loss is recognised in the Operating Statement for Controlled Receivables and the Statement of Income and Expenses on behalf of the Territory for Territorial Receivables. When the Directorate ceases action to collect the debt as it considers that it will cost more to recover the debt than the debt is worth, impairment losses are written-off and receivables are reduced.

Receivables from other ACT Government agencies are expected to have low credit risks. Consequently, the ACT Government policy is that receivables internal to the ACT Government are not assessed for credit losses.

Significant Judgements and Estimates – Controlled Receivables

The Directorate has made a significant estimate in the calculation of the allowance expected credit losses for Controlled Receivables in the Financial Statements. This significant estimate is based on grouping of receivables and the use of a provision matrix. The Directorate has determined there are four material groups for measuring expected credit losses based on the sale of goods and services. Furthermore, a provision matrix has been established based on its historical credit loss experience over the past four years, adjusted for forward looking factors specific to its debtors and the economic environment.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 13 RECEIVABLES – CONTINUED

| | 2021 \$'000 | 2020 \$'000 |
|---------------------------------------|----------------|----------------|
| Current Receivables | | |
| Trade Receivables | 9,525 | 9,238 |
| Less: Expected Credit Loss Allowance | (601) | (740) |
| | 8,924 | 8,498 |
| Other Receivables | 2 | 17 |
| Receivables | 8,926 | 8,515 |
| Accrued Revenue ^a | 3,687 | 1,625 |
| Net Goods and Services Tax Receivable | 3,488 | 2,226 |
| Total Current Receivables | 16,101 | 12,366 |
| Total Receivables | 16,101 | 12,366 |

- a) The increase (\$2.1 million) is mainly due to outstanding amounts relating to the Jobs for Canberrans (\$1.8 million) cost recovery from the Chief Minister, Treasury and Economic Development Directorate.

| Ageing of Receivables | Days Past Due | | | | | |
|---|---------------|-------------|-----------|------------|------------|----------|
| | Total | Not Overdue | 1-30 Days | 31-60 Days | 61-90 Days | >91 Days |
| 30 June 2021 | | | | | | |
| Expected credit loss rate | | 0.09% | 0.22% | 33.94% | 1.06% | 29.65% |
| Estimated total gross carrying amount at default (\$'000) | 7,064 | 4,949 | 624 | 46 | 90 | 1,355 |
| Expected credit losses (\$'000) | 601 | 4 | 1 | 24 | 1 | 571 |
| 1 July 2020 | | | | | | |
| Expected credit loss rate | | 0.05% | 2.13% | 16.75% | 0.13% | 22.40% |
| Estimated total gross carrying amount at default (\$'000) | 7,045 | 3,606 | 524 | 56 | 383 | 2,476 |
| Expected credit losses (\$'000) | 740 | 2 | 12 | 11 | - | 715 |

The table above does not include any expected credit losses for receivables collectible from other ACT Government agencies and Net Goods and Services Tax Receivable.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 13 RECEIVABLES – CONTINUED

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Reconciliation of the Allowance for Impairment Losses | | |
| Beginning of the Reporting Period | (740) | (94) |
| Recognised During the Reporting Period | (92) | (759) |
| Reduction due to Amounts Recovered During the Reporting Period | 107 | 10 |
| Write-off's During the Reporting Period | 124 | 103 |
| Allowance for Impairment Losses at the End of the Reporting Period | (601) | (740) |
| Classification of Receivables | | |
| Receivables from ACT Government Entities | | |
| Accrued Revenue | 1,934 | 104 |
| Net Trade Receivables | 4,216 | 3,727 |
| Other Receivables | - | 4 |
| Total Receivables from ACT Government Entities | 6,150 | 3,835 |
| Receivables from Non-ACT Government Entities | | |
| Accrued Revenue | 1,753 | 1,521 |
| Net Trade Receivables | 4,708 | 4,771 |
| Net Goods and Services Tax Receivable | 3,488 | 2,226 |
| Net Other Receivables | 2 | 13 |
| Total Receivables from Non-ACT Government Entities | 9,951 | 8,531 |
| Total Receivables | 16,101 | 12,366 |

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment includes the following classes of assets. Right-of-Use (ROU) assets recognised under AASB 16 Leases are disclosed under the relevant class of Property, Plant and Equipment.

- **Land:** includes leasehold land held by the Directorate but excludes land under infrastructure, urban open spaces, nature reserves, and land associated with community and heritage buildings. It also includes land restoration assets which is valued by Directorate officers based on estimates of future remediation costs.
- **Buildings:** includes sporting facility pavilions, amenity blocks, bus interchanges, public toilets, sheds, warehouses and office buildings.
- **Leasehold Improvements:** represent fit-outs in leased buildings.
- **Plant and Equipment:** includes park furniture, playgrounds, leased plant and equipment, mobile plant, office and computer equipment, furniture and fittings and other mechanical and electronic equipment.
- **Infrastructure Assets:** comprise public utilities that provide essential services and enhance the productive capacity of the economy. Infrastructure assets held by the Directorate include stormwater assets, roads, bridges, community paths, community sporting facilities, streetlights, car parks, driveways, signs and barriers.
- **Heritage Assets:** include non-current assets that the ACT Government intends to preserve indefinitely because of their unique historical, cultural or environmental attributes. A common feature of heritage assets is that they cannot be replaced and they are not usually available for sale or for redeployment. Heritage assets held by the Directorate include artworks, historical buildings, memorials and the heritage library collection.
- **Community Assets:** are assets that are provided essentially for general community use or services. Community assets held by the Directorate include public parks and gardens, public sporting reserves, library materials and land under roads.

Acquisition and Recognition of Property, Plant and Equipment

Property, Plant and Equipment is initially recorded at cost.

Where Property, Plant and Equipment assets are acquired at no cost or minimal cost, cost is its fair value as at the date of acquisition. However, Property, Plant and Equipment assets acquired at no cost or minimal cost as part of a restructuring of administrative arrangements are measured at the transferor's book value.

Property, Plant and Equipment with a value of \$5,000 or greater, including groupings of like assets, are capitalised.

Measurement of Property, Plant and Equipment After Initial Recognition

Property, Plant and Equipment are valued using the cost or revaluation model of valuation. Land, Buildings, Plant and Equipment, Infrastructure assets, Leasehold Improvements, and Community and Heritage assets are measured at fair value.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Measurement of Property, Plant and Equipment After Initial Recognition – Continued

Assets at fair value are revalued every three years. However, if at any time, the Directorate considers that the carrying amount of an asset materially differs from its fair value, then the asset will be re-valued regardless of when the last valuation took place. Any accumulated depreciation relating to Buildings, Plant and Equipment, Infrastructure, Leasehold Improvements, and Community and Heritage assets at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Any accumulated depreciation relating to Land Restoration assets is restated proportionally with the change in the gross carrying amount so that the net carrying amount of those assets after revaluation equals its revalued amount.

The asset revaluations undertaken in 2020-21 were as per below:

| Asset classes revalued in 2020-21 | 2020-21 revaluations were undertaken by |
|---|---|
| Land (Excluded Land Restoration) | AON |
| Leasehold Improvements | AON |
| Heritage and Community Assets (Land Under Roads) | Internal officers of the Directorate |
| Heritage and Community Assets (Library Materials) | AON |
| Infrastructure (Roads & Carpark under Other Infrastructure Assets) | Internal officers of the Directorate |
| Infrastructure (Bridges and Other Infrastructure Assets except Carpark) | AON |

Significant Judgements and Estimates

- 1) **Assets received from other ACT Government Entities:** the Directorate has made a significant judgement in relation to the fair value of assets received from other ACT Government entities e.g. from the Suburban Land Agency (SLA). Assets Received from ACT Government Entities are disclosed in Note 5 Grants and Contributions and predominantly relate to completed infrastructure assets transferred to the Directorate for management and maintenance. However, as formal asset acceptance, which usually includes verification of physical assets to technical project documentation, can take more than 12 months, the inclusion of these assets into a revaluation process can be delayed. Given this delay, the assets are valued and recorded in the financial statements for the intervening period based on advice from the transferring entities.
- 2) **Infrastructure, Plant and Equipment, Leasehold Improvements, and Community and Heritage Assets:** the Directorate has made significant judgements and estimates in calculating depreciated replacement cost of Infrastructure, Plant and Equipment, Leasehold Improvements, and Community and Heritage assets. These assets are predominately valued based on depreciated replacement cost by writing-down gross replacement values to take into account the age of assets.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Significant Judgements and Estimates– Continued

When valuing assets using depreciated replacement cost, the Directorate estimates the cost of components based on a variety of external inputs, which include engineering advice, industry indexes and recent internal capital works projects and assumes all assets within each class are constructed in an identical manner.

The age of the assets is predominately based on the age of the suburb in which they are located. Where available asset age data relating to recent upgrades and replacements is used.

- 3) **Land and Buildings:** The fair value of Land and Buildings are determined by a qualified independent valuer. Land is valued using market-based evidence by appraisal. Buildings are valued using the depreciated replacement cost method.

Land restoration is valued by Directorate officers based on estimates of future remediation costs.

The Directorate has made significant estimates in calculating provisions for restoration of waste landfill sites. The provisions are calculated by determining expected future cash flows associated with the restoration works. The expected restoration and remediation dates for the Mugga Lane Landfill and the decommissioned West Belconnen Landfill is late 2022-23, and 2024 for Parkwood Road Recycling Estate.

- 4) **Land Under Roads:** The Directorate has made a significant judgement in determining the fair value of land under roads (Community and Heritage assets). The Valuer-General has issued a guidance note on the valuation method applicable for land under roads. This guidance states that 'Statutory Land Value' is the most feasible and efficient base for valuing land under roads.

In applying this Statutory Land Value Method, the fair value for land under roads is measured on an unimproved rateable land valuation basis. Under this method, a value per square metre of land is estimated by dividing the total unimproved value of rateable land in the Territory by the total area of the Territory.

- 5) **Useful lives of Property Plant and Equipment:** The Directorate has made a significant estimate in determining the useful lives of Property, Plant and Equipment. The estimate has been based on the historical experience of similar assets and in some cases has been based on valuations provided by the qualified independent valuer or estimates from Directorate officers. The useful lives of major assets are reviewed on an annual basis and any adjustments are made when considered necessary.

- 6) **Impairment of Assets:** The Directorate assesses, at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Assets are assessed for impairment having regard to a number of factors including obsolescence, future continuing use and physical damage based on management assessment.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Significant Judgements and Estimates– Continued

Any resulting impairment losses for Plant and Equipment, Land, Buildings, Leasehold Improvements, Infrastructure, Community and Heritage assets are recognised as a decrease in the available Asset Revaluation Surplus relating to these classes of assets. This is because these asset classes are measured at fair value and have an Asset Revaluation Surplus attached to them. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement.

Impairment losses for Intangible Assets are recognised in the Operating Statement, as these assets are carried at cost.

Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date. A reversal of an impairment loss is recognised in Other Comprehensive Income and increases the Asset Revaluation Surplus for the relevant class of asset.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| LAND | | |
| Land at Fair Value | 46,955 | 40,776 |
| Land Restoration at Fair Value (Waste Landfill Sites) | 39,240 | 39,240 |
| Less Accumulated Depreciation - Land Restoration (Waste Landfill Sites) | (36,433) | (34,818) |
| TOTAL LAND | 49,762 | 45,198 |
| BUILDINGS | | |
| Buildings at Fair Value | 90,770 | 87,050 |
| Less: Accumulated Depreciation | (3,417) | - |
| Less: Accumulated Impairment Losses | (42) | (2,144) |
| TOTAL BUILDINGS | 87,311 | 84,906 |
| LEASEHOLD IMPROVEMENTS | | |
| Leasehold Improvements at Fair Value | 3,393 | 4,132 |
| Less: Accumulated Depreciation | - | (1,964) |
| TOTAL LEASEHOLD IMPROVEMENTS | 3,393 | 2,168 |
| PLANT AND EQUIPMENT | | |
| Plant and Equipment at Fair Value | 64,646 | 59,320 |
| Less: Accumulated Depreciation | (15,357) | (7,590) |
| Right-of-Use (ROU) Plant and Equipment | 25,363 | 18,746 |
| Less: Accumulated Depreciation ROU Plant and Equipment | (12,085) | (5,559) |
| Less: Accumulated Impairment Losses | (15) | (2) |
| TOTAL PLANT AND EQUIPMENT | 62,552 | 64,915 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

| | 2021 \$'000 | 2020 \$'000 |
|--|------------------|------------------|
| INFRASTRUCTURE ASSETS | | |
| Roads | | |
| Roads at Fair Value | 2,099,723 | 2,306,969 |
| Less: Accumulated Depreciation | (41) | (92,010) |
| Total Roads ^a | 2,099,682 | 2,214,959 |
| Bridges | | |
| Bridges at Fair Value | 1,078,043 | 1,118,236 |
| Less: Accumulated Depreciation | - | (31,007) |
| Total Bridges | 1,078,043 | 1,087,229 |
| Stormwater Assets | | |
| Stormwater Assets at Fair Value ^b | 3,171,593 | 3,086,769 |
| Less: Accumulated Depreciation | (101,127) | (50,669) |
| Less: Accumulated Impairment Losses | (1,500) | (1,500) |
| Total Stormwater Assets | 3,068,966 | 3,034,600 |
| Cycle Paths and Footpaths | | |
| Cycle Paths and Footpaths at Fair Value ^c | 194,427 | 166,199 |
| Less: Accumulated Depreciation | (17,942) | (8,703) |
| Total Cycle Paths and Footpaths | 176,485 | 157,496 |
| Other Infrastructure Assets | | |
| Other Infrastructure Assets at Fair Value ^d | 871,956 | 837,822 |
| Less: Accumulated Depreciation | (43,543) | (30,844) |
| Less: Accumulated Impairment Losses | (4,525) | (4,496) |
| Total Other Infrastructure Assets | 823,888 | 802,482 |
| TOTAL INFRASTRUCTURE ASSETS | 7,247,064 | 7,296,766 |

a) The decrease (\$115.3 million) is mainly due to a revaluation decrement resulting from a reduction in cost of materials for road construction.

b) The increase (\$84.9 million) is mainly due to stormwater assets:

- transferred (\$57.9 million) (Healthy Waterways) from EPSDD;
- transferred from SLA relating to the newly established suburbs of Taylor and Whitlam (\$17.0 million); and
- contributed by the private developers (\$5.0 million).

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

c) The increase (\$28.2 million) is mainly due to the Directorate receiving new cycle and community footpaths constructed:

- in the newly established suburbs of Taylor and Whitlam (\$13.0 million) from SLA; and
- by the private developers (\$5.0 million).

The remainder (\$10.2 million) largely relates to community paths constructed as part of stimulus capital works projects.

d) The increase (\$34.1 million) is mainly due to

- the construction of new waste assets (landfill cells) in the Mugga Lane landfill site (\$19.0 million);
- revaluation increment for streetlights, traffic signals and bike racks (\$8.0 million); and
- assets transferred from SLA (\$8.0 million).

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | \$'000 | \$'000 |
| COMMUNITY AND HERITAGE ASSETS | | |
| Community and Heritage Assets | | |
| Land Under Roads at Fair Value ^e | 1,869,659 | 1,739,484 |
| Land (Community and Heritage Assets) at Fair Value | 906,526 | 906,456 |
| Total Community and Heritage Assets | 2,776,185 | 2,645,940 |
| Library Materials | | |
| Library Materials at Fair Value | 4,481 | 4,592 |
| Less: Accumulated Depreciation | (7) | (6) |
| Total Library Materials | 4,474 | 4,586 |
| Other Community and Heritage Assets | | |
| Other Community and Heritage Assets at Fair Value | 37,010 | 36,693 |
| Less: Accumulated Depreciation | (689) | - |
| Total Other Community and Heritage Assets | 36,321 | 36,693 |
| TOTAL COMMUNITY AND HERITAGE ASSETS | 2,816,980 | 2,687,219 |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | 10,267,062 | 10,181,172 |

e) The increase is mainly due to increment on valuation (\$130.2 million) as a result of a 4.98% increase in the value per square metre (\$89.0 million) and a small increase in the area of land under roads (\$41.2 million). The revaluation was undertaken by Directorate officers and independently reviewed by external professional valuation firm at 30 June 2021.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Reconciliation of Property, Plant and Equipment – 2020-21

| | Land Buildings \$'000 | Leasehold Improvements \$'000 | Plant and Equipment \$'000 | Infrastructure Assets \$'000 | Community & Heritage Assets \$'000 | Total \$'000 |
|--|--------------------------|-------------------------------------|----------------------------------|------------------------------------|---|-------------------|
| Carrying Amount at the Beginning of the Reporting Period | 45,198 | 84,906 | 2,168 | 64,915 | 7,296,766 | 2,687,219 |
| 10,181,172 | | | | | | |
| Additions | - | 3,277 | 1,630 | 9,217 | 145,125 | 158,748 |
| Completed and Transferred from Capital Works in Progress | - | 443 | 141 | 3,148 | 85,325 | 91,766 |
| Revaluation Increment/(Decrement) Recognised in Other Comprehensive Income | 6,179 | - | 125 | - | (106,876) | 29,169 |
| Reversal of Impairment Losses/(Losses) Recognised in Other Comprehensive Income | - | 2,102 | - | (13) | (29) | 2,130 |
| Depreciation | (1,615) | (3,417) | (623) | (14,483) | (173,217) | (195,613) |
| Other Movements | - | - | (48) | (232) | (30) | (310) |
| Carrying Amount at the End of the Reporting Period | 49,762 | 87,311 | 3,393 | 62,552 | 7,247,064 | 2,816,980 |
| | | | | | | 10,267,062 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Reconciliation of Property, Plant and Equipment – 2019-20

| | Land | Buildings | Leasehold | Plant and | Infrastructure | Community & | Total |
|---|---------------|---------------|--------------|---------------|------------------|------------------|-------------------|
| | \$'000 | \$'000 | Improvements | Equipment | Assets | Heritage | \$'000 |
| Carrying Amount at the Beginning of the Reporting Period | 47,159 | 164,079 | 3,176 | 219,149 | 7,748,273 | 2,654,240 | 10,836,076 |
| Initial recognition ROU assets | - | - | - | 12,256 | - | - | 12,256 |
| Additions | - | 1,692 | 144 | 7,912 | 94,635 | - | 104,383 |
| Completed and Transferred from Capital Works in Progress | - | 120 | - | 3,639 | 84,389 | 2,892 | 91,040 |
| Revaluation Increment Recognised in Other Comprehensive Income | 1,204 | 4,900 | - | 16,513 | 2,581 | 32,878 | 58,076 |
| Impairment (Losses) Recognised in Other Comprehensive Income | - | (105) | - | - | (32) | - | (137) |
| Depreciation | (1,298) | (3,182) | (1,152) | (12,870) | (165,729) | (2,710) | (186,941) |
| Assets Transferred to TCO | (1,358) | (82,413) | - | (181,620) | (466,906) | - | (732,297) |
| Other Movements | (509) | (185) | - | (64) | (445) | (81) | (1,284) |
| Carrying Amount at the End of the Reporting Period | 45,198 | 84,906 | 2,168 | 64,915 | 7,296,766 | 2,687,219 | 10,181,172 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy

The Fair Value Hierarchy below reflects the significance of the inputs used in determining fair value. The Fair Value Hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Directorate can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 – inputs that are unobservable for particular assets or liabilities.

Details of the Directorate's Property, Plant and Equipment at Fair Value and information about the Fair Value Hierarchy at 30 June 2021 and 30 June 2020 are as follows:

| Classification According to the Fair Value Hierarchy 2021 | | | | |
|--|----------------|----------------|------------------|-------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Property, Plant and Equipment at Fair Value | | | | |
| Land | - | 46,955 | 2,807 | 49,762 |
| Buildings | - | - | 87,311 | 87,311 |
| Leasehold Improvements | - | - | 3,393 | 3,393 |
| Plant and Equipment | - | 12,480 | 50,072 | 62,552 |
| Infrastructure Assets | - | - | 7,247,064 | 7,247,064 |
| Community and Heritage Assets | - | 766,241 | 2,050,739 | 2,816,980 |
| Total Fair Value | - | 825,676 | 9,441,386 | 10,267,062 |

| Classification According to the Fair Value Hierarchy 2020 | | | | |
|--|----------------|----------------|------------------|-------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Property, Plant and Equipment at Fair Value | | | | |
| Land | - | 40,776 | 4,422 | 45,198 |
| Buildings | - | - | 84,906 | 84,906 |
| Leasehold Improvements | - | - | 2,168 | 2,168 |
| Plant and Equipment | - | 13,623 | 51,292 | 64,915 |
| Infrastructure Assets | - | - | 7,296,766 | 7,296,766 |
| Community and Heritage Assets | - | 766,171 | 1,921,048 | 2,687,219 |
| Total Fair Value | - | 820,570 | 9,360,602 | 10,181,172 |

There have been no transfers between Levels 1, 2 and 3 during the current and previous period.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Valuation Techniques, Inputs and Processes

Level 2 Valuation Techniques and Inputs

Valuation Technique: the valuation technique used to value Land, owned Motor Vehicles and Community and Heritage Land is the market approach that reflects recent transaction prices for similar properties (comparable in location and size).

Inputs: prices and other relevant information generated by market transactions involving comparable land were considered. Regard was taken of the Crown Lease terms and tenure, the Australian Capital Territory Plan and the National Capital Plan, where applicable, as well as current zoning.

Level 3 Valuation Techniques and Significant Unobservable Inputs

Valuation Technique: Land where there is no active market or significant restrictions is valued through the cost approach.

Land Restoration assets are valued using the depreciated replacement cost method based on an assessment of future remediation estimates.

Significant Unobservable Inputs: in determining the value of Land Restoration assets an estimate as to the future remediation costs at the landfill sites was made by Directorate officers. An estimate as to time remaining until these works will be complete was also made.

Valuation Technique: Buildings, Leasehold Improvements, Infrastructure assets, Plant and Equipment assets, and Community and Heritage assets were considered specialised assets by the Valuer and Directorate officers and were measured using the cost approach.

Significant Unobservable Inputs: estimating the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. For Buildings, historical cost per square metre of floor area was used in measuring fair value. For Infrastructure Assets the historical cost per cubic/square metre was also used in measuring fair value. In determining the value of Buildings, Leasehold Improvements, Plant and Equipment, Infrastructure Assets, and Community and Heritage assets regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal to the Directorate. In determining the value of Urban Open Space land estimates relating to canopy sizes, average age and cost of trees were also used.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

| | Land \$'000 | Buildings \$'000 | Leasehold Improvements \$'000 | Plant and Equipment \$'000 | Infrastructure Assets \$'000 | Community & Heritage Assets \$'000 | Total \$'000 |
|---|----------------|---------------------|-------------------------------------|----------------------------------|------------------------------------|---|------------------|
| 2021 | | | | | | | |
| Fair Value at the Beginning of the Reporting Period | 4,422 | 84,906 | 2,168 | 51,292 | 7,296,766 | 1,921,048 | 9,360,602 |
| Additions | - | 3,277 | 1,630 | 3,573 | 145,125 | (501) | 153,104 |
| Completed and Transferred from Capital Works in Progress | - | 443 | 141 | 3,148 | 85,325 | 2,709 | 91,766 |
| Revaluation Increment/(Decrement) Recognised in Other Comprehensive Income | - | - | 125 | - | (106,876) | 129,741 | 22,990 |
| Reversal of Impairment Losses/(Losses) Recognised in Other Comprehensive Income | - | 2,102 | - | (13) | (29) | - | 2,060 |
| Depreciation | (1,615) | (3,417) | (623) | (7,809) | (173,217) | (2,258) | (188,939) |
| Other Movements | - | - | (48) | (119) | (30) | - | (197) |
| Fair Value at the End of the Reporting Period | 2,807 | 87,311 | 3,393 | 50,072 | 7,247,064 | 2,050,739 | 9,441,386 |
| Total Gains for the Period included in 'Grants and Contributions' | - | - | - | 634 | 144,679 | - | 145,313 |
| Total Losses for the Period included in 'Other Expenses' | - | - | (48) | (143) | (29) | - | (220) |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

| | Land \$'000 | Buildings \$'000 | Leasehold Improvements \$'000 | Plant and Equipment \$'000 | Infrastructure Assets \$'000 | Community & Heritage Assets \$'000 | Total \$'000 |
|---|----------------|---------------------|-------------------------------------|----------------------------------|------------------------------------|---|------------------|
| 2020 | | | | | | | |
| Fair Value at the Beginning of the Reporting Period | 4,516 | 164,079 | 3,176 | 218,705 | 7,748,273 | 1,886,200 | 10,024,949 |
| Additions | - | 1,692 | 144 | 1,417 | 94,635 | - | 97,888 |
| Completed and Transferred from Capital Works in Progress | - | 120 | - | 3,639 | 84,389 | 2,892 | 91,040 |
| Revaluation Increment Recognised in Other Comprehensive Income | 1,204 | 4,900 | - | 16,464 | 2,581 | 34,747 | 59,896 |
| Impairment (Losses) Recognised in Other Comprehensive Income | - | (105) | - | - | (32) | - | (137) |
| Depreciation | (1,298) | (3,182) | (1,152) | (7,250) | (165,729) | (2,710) | (181,321) |
| Assets transfer to TCO | - | (82,413) | - | (181,620) | (466,906) | - | (730,939) |
| Other Movements | - | (185) | - | (63) | (445) | (81) | (774) |
| Fair Value at the End of the Reporting Period | 4,422 | 84,906 | 2,168 | 51,292 | 7,296,766 | 1,921,048 | 9,360,602 |
| Total Gains for the Period included in 'Grants and Contributions' | - | - | - | 137 | 82,079 | - | 82,216 |
| Total Losses for the Period included in 'Other Expenses' | - | (185) | - | (243) | - | (80) | (508) |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 15 CAPITAL WORKS IN PROGRESS

The Directorate receives significant funding to undertake capital infrastructure projects. Capital Works in Progress relate to duplication of major roads, roadworks at intersections, new bus depot, bus interchange and other infrastructure works.

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Infrastructure ^a | 153,882 | 144,643 |
| Buildings ^b | 9,004 | 5,320 |
| Software ^c | 6,120 | 4,994 |
| Plant and Equipment | 1,434 | 428 |
| Community and Heritage | 4,285 | 3,744 |
| Leasehold Improvements ^d | 2,408 | 82 |
| Total Capital Works in Progress | 177,133 | 159,211 |

- a) The increase (\$9.2 million) is mainly due to increase in road infrastructure works.
- b) The increase (\$3.7 million) is mainly due to works undertaken at the new Woden Bus Depot, Yarralumla Nursery, Birrigai and sport ground facilities upgrades.
- c) The increase (\$1.1 million) is mainly due to enhancement to online platforms.
- d) The increase (\$2.3 million) is mainly due to works undertaken for the Woden Library redevelopment.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 15 CAPITAL WORKS IN PROGRESS – CONTINUED

Reconciliation of Capital Works in Progress – 2020-21

| | Community & Heritage \$'000 | Plant and Equipment \$'000 | Infrastructure \$'000 | Buildings \$'000 | Leasehold Improvement \$'000 | Software \$'000 | Total \$'000 |
|---|--------------------------------|-------------------------------|--------------------------|---------------------|---------------------------------|--------------------|-----------------|
| Carrying Amount at the Beginning of the Reporting Period | | | | | | | |
| Additions | 3,744 | 428 | 144,643 | 5,320 | 82 | 4,994 | 159,211 |
| Completed and Transferred to Property, Plant and Equipment | 3,557 | 4,193 | 109,435 | 4,129 | 2,467 | 1,126 | 124,907 |
| Completed and Expensed | (2,709) | (3,148) | (85,325) | (443) | (141) | - | (91,766) |
| Completed and Transferred to Provision for Restoration of Waste Landfill Sites at Mugga Lane and West Belconnen Assets Transferred to TCO | (307) | (39) | (13,272) | (2) | - | - | (13,620) |
| | - | - | (916) | - | - | - | (916) |
| | - | - | (683) | - | - | - | (683) |
| Carrying Amount at the End of the Reporting Period | 4,285 | 1,434 | 153,882 | 9,004 | 2,408 | 6,120 | 177,133 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 15 CAPITAL WORKS IN PROGRESS – CONTINUED

Reconciliation of Capital Works in Progress – 2019-20

| | Community Heritage \$'000 | Plant and Equipment \$'000 | Infrastructure \$'000 | Buildings \$'000 | Leasehold Improvement \$'000 | Software \$'000 | Light Rail Project \$'000 | Total \$'000 |
|--|---------------------------------|----------------------------------|--------------------------|---------------------|------------------------------------|--------------------|---------------------------------|-----------------|
| Carrying Amount at the Beginning of the Reporting Period | | | | | | | | |
| Additions | 3,798 | 383 | 139,458 | 1,982 | - | 3,720 | 6,196 | 155,537 |
| Completed and Transferred to Property, Plant and Equipment | 3,505 | 3,761 | 104,327 | 3,563 | 82 | 2,681 | - | 117,919 |
| | (3,238) | (3,639) | (84,043) | (120) | - | - | - | (91,040) |
| Completed and Expensed | (321) | (77) | (12,750) | (105) | - | - | - | (13,253) |
| Completed and Transferred to Provision for Restoration of Waste Landfill Sites at Mugga Lane and West Belconnen (including Parkwood Road Recycling Estate) | - | - | (2,285) | - | - | - | - | (2,285) |
| Administrative Arrangements Transfers | - | - | - | - | - | - | (6,196) | (6,196) |
| Assets Transferred to TCO | - | - | (64) | - | - | (1,407) | - | (1,471) |
| Carrying Amount at the End of the Reporting Period | 3,744 | 428 | 144,643 | 5,320 | 82 | 4,994 | - | 159,211 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

LIABILITIES NOTES

Liabilities – Current and Non-Current

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Directorate does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities, which do not fall within the current classification, are classified as non-current.

NOTE 16 PAYABLES

Payables are initially recognised at fair value based on the transaction cost and subsequently at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 14 days of the invoice date or the receipt of goods and services, or within agreed payment terms.

| | 2021 | 2020 |
|-------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Current Payables | | |
| Accrued Expenses | 17,431 | 17,705 |
| Trade Payables ^a | 13,726 | 9,509 |
| Other Payables | 743 | - |
| Total Current Payables | 31,900 | 27,214 |
| Total Payables | 31,900 | 27,214 |

- a) The increase (\$4.2 million) is mainly due to the large volume of roads maintenance invoices received towards the end of the financial year.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 16 PAYABLES – CONTINUED

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Payables are aged as follows: | | |
| Not Overdue | 30,894 | 26,596 |
| Overdue for Less than 30 Days | 972 | 574 |
| Overdue for 30 to 60 Days | 18 | 44 |
| Overdue for More than 60 Days | 16 | - |
| Total Payables | 31,900 | 27,214 |
| Classification of Payables | | |
| Payables with ACT Government Entities | | |
| Accrued Expenses | 1,660 | 967 |
| Trade Payables | 1,072 | 528 |
| Total Payables with ACT Government Entities | 2,732 | 1,495 |
| Payables with Non-ACT Government Entities | | |
| Accrued Expenses | 15,771 | 16,738 |
| Trade Payables | 12,654 | 8,981 |
| Other Payables | 743 | - |
| Total Payables with Non-ACT Government Entities | 29,168 | 25,719 |
| Total Payables | 31,900 | 27,214 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 17 LEASE LIABILITIES

Lease Liabilities are recorded in accordance with AASB 16 Leases. At the lease commencement date, the Directorate recognises a Right-of-Use asset and associated Lease Liability for the lease term. The lease term includes extension periods where the Directorate is reasonably certain that the option will be exercised.

The Right-of-Use asset is initially measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, and estimated cost of removal and restoration less any lease incentives received. After the commencement date, the Right-of-Use assets are measured at fair value under the relevant class of asset.

The Right-of-Use asset is depreciated over the lease term on a straight-line basis and assessed for impairment annually.

The Lease Liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease or the incremental borrowing rate published by ACT Treasury when rates cannot be readily determined. Lease liabilities are subsequently measured at amortised cost using the effective interest rate method.

The Directorate's leases largely relate to motor vehicles and a linen folding machine.

EXCEPTIONS TO LEASE ACCOUNTING

The Directorate has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets (below \$10,000). The Directorate has also elected not to separate non-lease components, except for those leases where the information is readily available.

Where the non-lease components have been separated, they are recognised as an expense as incurred in the Operating Statement.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 17 LEASE LIABILITIES – CONTINUED

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Current Lease Liabilities | | |
| Lease Liabilities | 5,150 | 5,804 |
| Total Current Lease Liabilities | 5,150 | 5,804 |
| Non-Current Lease Liabilities | | |
| Lease Liabilities | 7,940 | 8,459 |
| Total Non-Current Lease Liabilities | 7,940 | 8,459 |
| Total Lease Liabilities | 13,090 | 14,263 |
| Leases | | |
| Commitments are payable as follows: | | |
| Within one year | 5,444 | 6,078 |
| Later than one year but not later than five years | 8,058 | 8,377 |
| Later than five years | 270 | 490 |
| Minimum Lease Payments | 13,772 | 14,945 |
| Less: Future Lease Charges | (682) | (682) |
| Amount Recognised as a Liability | 13,090 | 14,263 |
| Total Present Value of Minimum Lease Payments | 13,090 | 14,263 |
| The Present Value of Minimum Lease Payments are as follows: | | |
| Within one year | 5,150 | 5,804 |
| Later than one year but not later than five years | 7,683 | 8,001 |
| Later than five years | 257 | 458 |
| Total Present Value of Minimum Lease Payments | 13,090 | 14,263 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 18 EMPLOYEE BENEFITS

Wages and Salaries

Accrued wages and salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

Annual and Long Service Leave

Annual and Long Service Leave, including applicable on-costs that are not expected to be wholly settled before 12 months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future annual leave and long service leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual Leave liabilities have been estimated on the assumption they will be wholly settled within three years. At 30 June 2021, the rate used to estimate the present value of future annual leave payments is 100.2% (100.9% at 30 June 2020).

The Long Service Leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of seven years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for long service leave and applicable on-costs.

At 30 June 2021, the rate used to estimate the present value of future payments for Long Service Leave is 108.7% (113.6% at 30 June 2020).

The Provision for Annual Leave and Long Service Leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and long service leave while in service, the probability that employees will take annual and long service leave while in service has been taken into account in estimating the liability for on-costs.

Annual Leave and Long Service Leave liabilities are classified as Current Liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Otherwise it is classified as non-current because the Directorate has an unconditional right to defer the settlement of the liability until the employee has completed the required service.

Significant judgements and Estimates

Significant judgements have been applied in estimating the liability for employee benefits. The estimated liability for Annual and Long Service Leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 18 EMPLOYEE BENEFITS – CONTINUED

Significant judgements and Estimates – Continued

The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for Long Service Leave and that on-costs will become payable.

The significant judgements and assumptions included in the estimation of Annual and Long Service Leave liabilities include an assessment by an actuary. This assessment is performed every 3 years. However, it may be performed more frequently if there is a significant change in the parameters underlying this assessment. The Australian Government Actuary performed this assessment in April 2019. The next actuarial review is expected to be undertaken by early 2022.

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Current Employee Benefits | | |
| Long Service Leave ^a | 18,864 | 18,095 |
| Annual Leave ^b | 11,535 | 10,100 |
| Accrued Wages and Salaries | 1,939 | 1,383 |
| Other Benefits | 1,613 | 1,415 |
| Total Current Employee Benefits | 33,951 | 30,993 |
| Non-Current Employee Benefits | | |
| Long Service Leave ^a | 2,086 | 1,906 |
| Total Non-Current Employee Benefits | 2,086 | 1,906 |
| Total Employee Benefits | 36,037 | 32,899 |
| Estimate of when Leave is Payable | | |
| Estimated Amount Payable within 12 Months | | |
| Annual Leave | 5,898 | 5,815 |
| Accrued Wages and Salaries | 1,939 | 1,383 |
| Long Service Leave | 1,541 | 1,541 |
| Other Benefits | 1,613 | 1,415 |
| Total Employee Benefits Payable within 12 Months | 10,991 | 10,154 |
| Estimated Amount Payable later than 12 Months | | |
| Long Service Leave | 19,409 | 18,460 |
| Annual Leave | 5,637 | 4,285 |
| Total Employee Benefits Payable later than 12 Months | 25,046 | 22,745 |
| Total Employee Benefits | 36,037 | 32,899 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 18 EMPLOYEE BENEFITS – CONTINUED

At 30 June 2021 1,067 full-time equivalent (FTE) staff were employed (941 FTE at 30 June 2020).

a) The increase (\$0.9 million) is mainly due to higher:

- salary rates under the enterprise agreements; and
- number of staff employed, mainly under Jobs for Canberrans program.

These were partially offset by decrease in the rate used to estimate the present value of Long Service Leave liabilities from 113.6% to 108.7%.

b) The increase (\$1.4 million) is mainly due to less leave taken during the COVID-19 pandemic.

NOTE 19 OTHER PROVISIONS

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Current Other Provisions | | |
| Provision for Restoration of Waste Landfill Sites - Mugga Lane and West Belconnen (including Parkwood Road Recycling Estate) | 10,063 | 18,487 |
| Provisions for Waiver | - | 1,393 |
| Provision for Make Good | - | 149 |
| Total Current Other Provisions | 10,063 | 20,029 |
| Non-Current Other Provisions | | |
| Provision for Restoration of Waste Landfill Sites - Mugga Lane and West Belconnen (including Parkwood Road Recycling Estate) | 17,508 | 10,000 |
| Total Non-Current Other Provision | 17,508 | 10,000 |
| Total Other Provisions ^a | 27,571 | 30,029 |
| Reconciliation of the Provision for Restoration of Waste Landfill Sites - Mugga Lane and West Belconnen (including Parkwood Road Recycling Estate) | | |
| Provision for Restoration of Waste Landfill Sites at the Beginning of the Reporting Period | 28,487 | 23,670 |
| Additional Provision Recognised | - | 7,102 |
| Reduction in Provision from Site-Works Undertaken | (916) | (2,285) |
| Provision for Restoration at the End of the Reporting Period | 27,571 | 28,487 |

a) The decrease (\$2.5 million) is mainly due to the remediation works undertaken at the waste landfill sites during the year (\$0.9 million) and reversal of the previous year's provision for waiver (\$1.4 million) relating to waste disposal fees that have since been paid. The movement between current and non-current provision is due to the deferral of remediation works to future years.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 20 OTHER LIABILITIES

Streetlight upgrades liability relates to amounts owed to Electrix Pty Ltd for the upgrade of streetlights across the Territory under the contractual requirements.

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Current Other Liabilities | | |
| Streetlights Upgrades Liability | 3,658 | - |
| Carbon Neutral Fund Loan from EPSDD | 124 | 123 |
| Total Current Other Liabilities | 3,782 | 123 |
| Non-Current Other Liabilities | | |
| Streetlights Upgrades Liability | 11,768 | 16,282 |
| Carbon Neutral Fund Loan from EPSDD | 350 | 375 |
| Total Non-Current Other Liabilities | 12,118 | 16,657 |
| Total Other Liabilities | 15,900 | 16,780 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 21 EQUITY

| | 2021 \$'000 | 2020 \$'000 |
|--|------------------|------------------|
| Movements in the Asset Revaluation Surplus during the Reporting Period | | |
| Asset Revaluation Surplus | | |
| The Asset Revaluation Surplus is used to record the increments and decrements in the value of Property, Plant and Equipment. | | |
| Land Revaluation Surplus | | |
| Balance at the Beginning of the Reporting Period | 14,200 | 20,098 |
| Increment on Revaluation | 6,179 | 1,204 |
| (Increase) in Land Restoration Provision | - | (7,102) |
| Balance at the End of the Reporting Period | 20,379 | 14,200 |
| Infrastructure Revaluation Surplus | | |
| Balance at the Beginning of the Reporting Period | 2,791,157 | 2,788,644 |
| (Decrement)/Increment on Revaluation | (106,876) | 2,581 |
| (Impairment Losses) | (29) | (32) |
| Asset Reclassification Transfers | - | (36) |
| Balance at the End of the Reporting Period | 2,684,252 | 2,791,157 |
| Leasehold Improvements | | |
| Balance at the Beginning of the Reporting Period | 377 | - |
| Increment on Revaluation | 125 | - |
| Decrease in Make Good Provision | - | 377 |
| Balance at the End of the Reporting Period | 502 | 377 |
| Building Revaluation Surplus | | |
| Balance at the Beginning of the Reporting Period | 26,028 | 21,233 |
| Increment on Revaluation | - | 4,900 |
| Reversal of Impairment Losses/(Impairment Losses) | 2,102 | (105) |
| Balance at the End of the Reporting Period | 28,130 | 26,028 |
| Community and Heritage Assets Revaluation Surplus | | |
| Balance at the Beginning of the Reporting Period | 1,511,160 | 1,478,282 |
| Increment on Revaluation | 129,741 | 32,878 |
| Reversal of Impairment Losses | 70 | - |
| Balance at the End of the Reporting Period | 1,640,971 | 1,511,160 |
| Plant and Equipment Revaluation Surplus | | |
| Balance at the Beginning of the Reporting Period | 31,767 | 15,218 |
| Increment on Revaluation | - | 16,513 |
| (Impairment Losses) | (13) | - |
| Asset Reclassification Transfers | - | 36 |
| Balance at the End of the Reporting Period | 31,754 | 31,767 |
| Total Asset Revaluation Surplus | 4,405,988 | 4,374,689 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 21 EQUITY – CONTINUED

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Movements In the Asset Revaluation Surplus during the Reporting Period | | |
| Net Revaluation Increment ^a | 29,169 | 58,076 |
| Net Reversal of Impairment Losses/(Impairment Losses) | 2,130 | (137) |
| (Increase) in Land Restoration Provision | - | (7,102) |
| Decrease in Make Good Provision | - | 377 |
| Total Revaluation Increment | 31,299 | 51,214 |

a) Net Revaluation Increments are dependent on categories of assets revalued each year and the movements in asset values. The significant movements to the Asset Revaluations Surplus are as follows:

- An increase to the Heritage & Community Assets Surplus of \$129.7 million mainly due to a higher value of Land Under Roads (\$89.0 million) resulting from a 4.98% increase in the value per square metre and an increase in the area of land under roads (\$41.2 million).
- A decrease to the Infrastructure Asset Revaluation Surplus of \$106.9 million mainly due to revaluation decrement resulting from a reduction in cost of materials for road construction.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

OTHER NOTES

NOTE 22 RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS

Restructure of Administrative Arrangements 2020-21

Administrative Arrangements 2020 (No.3) notifiable instrument NI2020-707 came into effect on 4 November 2020. The Directorate received Transport regulation and safety function from JACS and parking policy function from EPSDD.

Total number of budgeted employee positions transferred from JACS was 11.9 full-time equivalent and one position was transferred from EPSDD.

Assets and Liabilities

Increases or decreases in net assets and net liabilities resulting from Administrative Arrangements are recognised in the Statement of Changes in Equity. There were no Assets or Liabilities transferred from EPSDD. The Assets and Liabilities transferred from JACS as part of the Administrative Arrangements at the dates of transfer were as follows:

| | Transferred Amounts | | |
|--|--------------------------------|--|--------------|
| | 2021 | | |
| | \$'000 | | |
| Assets | | | |
| Cash and Cash Equivalents | | | 168 |
| Total Assets Transferred | | | 168 |
| Liabilities | | | |
| Payables | | | 5 |
| Employee Benefits | | | 665 |
| Other Liabilities | | | 163 |
| Total Liabilities Transferred | | | 833 |
| Total Net Liabilities Transferred | | | (665) |

| | Amounts Relating to Function when held by the JACS | Amounts Relating to Function when held by the Directorate | Total |
|-------------------------------|---|--|---------------|
| | July 2020 to 3 Nov 2020 | 4 Nov 2020 to June 2021 | 2021 |
| | \$'000 | \$'000 | \$'000 |
| Revenue | | | |
| Controlled Recurrent Payments | - | 2,539 | 2,539 |
| Other Revenue | 937 | 215 | 1,152 |
| Total Revenue | 937 | 2,754 | 3,691 |
| Expenses | | | |
| Employee Expenses | 453 | 1,057 | 1,510 |
| Superannuation Expenses | 67 | 224 | 291 |
| Supplies and Services | 356 | 507 | 863 |
| Grants and Purchased Services | 61 | 1,106 | 1,167 |
| Other Expenses | - | 9 | 9 |
| Total Expenses | 937 | 2,903 | 3,840 |
| Operating Deficit | - | (149) | (149) |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 22 RESTRUCTURE OF ADMINISTRATIVE ARRANGEMENTS - CONTINUED

Restructure of Administrative Arrangements 2019-20

Administrative Arrangements 2019 (No.2) notifiable instrument NI2019-549 came into effect on 1 July 2019. The Light Rail Stage 2 project delivery and some Stage 1 related construction to be completed were transferred to the Major Projects Canberra. The total value of the net assets transferred was \$3.0 million.

Assets and Liabilities

Increases or decreases in net assets and net liabilities resulting from Administrative Arrangements are recognised in the Statement of Changes in Equity. The Assets and Liabilities transferred as part of the Administrative Arrangements at the dates of transfer were as follows:

| | Transferred Amounts 2020 \$'000 |
|--------------------------------------|--|
| Assets | |
| Capital Works in Progress | 6,196 |
| Cash and Cash Equivalents | 1,319 |
| Receivables | 372 |
| Total Assets Transferred | 7,887 |
| Liabilities | |
| Employee Benefits | 978 |
| Payables | 3,912 |
| Total Liabilities Transferred | 4,890 |
| Total Net Assets Transferred | 2,997 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 23 FINANCIAL INSTRUMENTS

Financial assets are classified as subsequently measured at amortised cost on the basis of both:

- (a) the business model for managing the financial assets being held to collect; and
- (b) the contractual cash flow characteristics of the financial assets.

Financial liabilities are measured at amortised cost.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Directorate's credit risk is limited to the amount of the financial assets it holds net of any provision for impairment. The Directorate expects to collect all financial assets that are not past due or impaired.

At the end of the reporting period, the Directorate held cash on deposit with the Westpac Banking Corporation (Westpac). The Directorate considers the credit risk associated with these deposits as low as the Westpac is rated AA- (long-term) and A-1+ (short-term) by the international ratings agency Standard & Poor's.

The Directorate manages the credit risk of receivables by the regular review of the individual receivables and referral to debt collection agencies where appropriate. The results are reported to senior management on a monthly basis. There have been no significant changes in credit risk exposure since last reporting period.

Trade receivables are measured at lifetime expected credit losses.

Liquidity Risk

Liquidity risk is the risk that the Directorate will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

To limit its exposure to liquidity risk the Directorate ensures that it has a sufficient amount of current financial assets to meet its current financial liabilities. The main source of cash to pay these obligations is appropriation from the ACT Government which is drawn down on a fortnightly basis during the year. The Directorate manages its liquidity risk through forecasting appropriation drawdown requirements to enable payment of anticipated obligations.

The Directorate is also able to drawdown additional Controlled Recurrent Payments in the next reporting period to cover its financial liabilities when they fall due. This ensures the Directorate has enough liquidity to meet its emerging financial liabilities.

The Directorate's exposure to liquidity risk and the management of this risk has not changed since the last reporting period.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 23 FINANCIAL INSTRUMENTS – CONTINUED

Carrying amount and Fair Value of Financial Assets and Liabilities

| | Note No. | Carrying Amount 2021 \$'000 | Carrying Amount 2020 \$'000 |
|------------------------------------|---------------------|--|--|
| Financial Assets | | | |
| Cash and Cash Equivalents | 12 | 15,773 | 17,316 |
| Receivables | 13 | 8,926 | 8,515 |
| Total Financial Assets | | 24,699 | 25,831 |
| Financial Liabilities | | | |
| Payables | 16 | 14,469 | 9,509 |
| Lease Liabilities | 17 | 13,090 | 14,263 |
| Other Liabilities | 20 | 15,900 | 16,780 |
| Total Financial Liabilities | | 43,459 | 40,552 |

The carrying amount of financial assets and liabilities approximates its fair value.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 23 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out the Directorate's maturity analysis for Financial Assets and Financial Liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2021. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

| | Note No. | Weighted Average Interest Rate | Floating Interest Rate \$'000 | Fixed Interest Maturing In: | | | Non-Interest Bearing \$'000 | Total \$'000 |
|--|----------|--------------------------------|-------------------------------|-----------------------------|-------------------------------|---------------------|-----------------------------|--------------|
| | | | | 1 Year or Less \$'000 | Over 1 Year to 5 Years \$'000 | Over 5 Years \$'000 | | |
| Financial Instruments | | | | | | | | |
| Financial Assets | | | | | | | | |
| Cash and Cash Equivalents | 12 | 1.00% | 889 | - | - | - | 14,884 | 15,773 |
| Receivables | 13 | - | - | - | - | - | 8,926 | 8,926 |
| Total Financial Assets | | | 889 | - | - | - | 23,810 | 24,699 |
| Financial Liabilities | | | | | | | | |
| Payables | 16 | - | - | - | - | - | 14,469 | 14,469 |
| Lease Liabilities (Interest Inclusive) | 17 | 2.77% | - | 5,444 | 8,058 | 270 | - | 13,772 |
| Other Liabilities | 20 | - | - | - | - | - | 15,900 | 15,900 |
| Total Financial Liabilities | | | - | 5,444 | 8,058 | 270 | 30,369 | 44,141 |
| Net Financial Assets/(Liabilities) | | | 889 | (5,444) | (8,058) | (270) | (6,559) | (19,442) |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 23 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out the Directorate's maturity analysis for Financial Assets and Financial Liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2020. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

| | Note No. | Weighted Average Interest Rate | Floating Interest Rate \$'000 | Fixed Interest Maturing In: | | | Non-Interest Bearing \$'000 | Total \$'000 |
|--|----------|--------------------------------|-------------------------------|-----------------------------|-------------------------------|---------------------|-----------------------------|--------------|
| | | | | 1 Year or Less \$'000 | Over 1 Year to 5 Years \$'000 | Over 5 Years \$'000 | | |
| Financial Instruments | | | | | | | | |
| Financial Assets | | | | | | | | |
| Cash and Cash Equivalents | 12 | 1.51% | 804 | - | - | - | 16,512 | 17,316 |
| Receivables | 13 | - | - | - | - | - | 8,515 | 8,515 |
| Total Financial Assets | | | 804 | - | - | - | 25,027 | 25,831 |
| Financial Liabilities | | | | | | | | |
| Payables | 16 | - | - | - | - | - | 9,509 | 9,509 |
| Lease Liabilities (Interest Inclusive) | 17 | 2.36% | - | 5,804 | 8,001 | 458 | - | 14,263 |
| Other Liabilities | 20 | - | - | - | - | - | 16,780 | 16,780 |
| Total Financial Liabilities | | | - | 5,804 | 8,001 | 458 | 26,289 | 40,552 |
| Net Financial Assets/(Liabilities) | | | | | | | | |
| | | | 804 | (5,804) | (8,001) | (458) | (1,262) | (14,721) |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 24 COMMITMENTS

All amounts shown in the Commitment Note are inclusive of Goods and Services Tax.

Capital Commitments

Capital Commitments that have not been recognised as liabilities mainly relate to infrastructure asset upgrades. There are no other contractual commitments for the acquisition of non-financial assets other than those included below.

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Capital Commitments | | |
| Payable: | | |
| Within one year | 61,362 | 37,100 |
| Later than one year but not later than five years | 3,922 | 3,668 |
| Total Capital Commitments^a | 65,284 | 40,768 |

- a) The increase (\$24.5 million) is mainly due to new contracts for the following projects: Better Connecting Belconnen and Gungahlin (\$19.7 million), Improving Stormwater Networks (\$3.9 million), Northbourne Avenue Pavement (\$2.8 million) and Improving and Expanding Online Services (\$2.6 million).

Other Commitments

Other Commitments that have not been recognised as liabilities include contracts for streetlight upgrades, delivery of waste services, office accommodation and roads resealing works.

Other Commitments

| | | |
|---|----------------|----------------|
| Payable: | | |
| Within one year | 74,350 | 85,144 |
| Later than one year but not later than five years | 148,582 | 114,784 |
| Later than five years | 103,655 | - |
| Total Other Commitments^b | 326,587 | 199,928 |

- b) The increase (\$126.7 million) is mainly due to the new contract for the office accommodation and payments for site services and landfill operations at the Mugga Lane Resource Management Centre.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 24 COMMITMENTS – CONTINUED

Non-Cancellable Low Value Lease Commitments

The non-cancellable low value lease commitments that have not been recorded as liabilities mainly relate to provision of low value and short-term leased vehicles with SG Fleet and provision of ICT equipment with Shared Services.

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Non-Cancellable Low Value Lease Commitments | | |
| Non-Cancellable Low Value Lease Commitments are payable as follows: | | |
| Payable: | | |
| Within one year | 641 | 663 |
| Later than one year but not later than five years | 685 | 1,021 |
| Later than five years | 53 | 90 |
| Total Non-Cancellable Low Value Lease Commitments | 1,379 | 1,774 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 25 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

Contamination of Land

The Directorate owns 109 sites as at 30 June 2021 (105 at 30 June 2020) that have been identified as contaminated land. Whilst there is no present obligation to remediate these sites, a contingent liability reflecting possible future costs has been estimated at \$50.7 million (estimated cost at 30 June 2020: \$48.9 million). This estimate is based on costs incurred for restoring similar sites in previous years.

The Directorate amended the prior year comparative (from 246 to 105) as a result of the reporting methodology for the contaminated sites being revised to improve accuracy for Contingent Liabilities purposes. The previous methodology included sites where the Directorate managed but did not own or have custody of.

Legal Claims

The Directorate is subject to 75 legal claims at 30 June 2021 (89 legal claims as at 30 June 2020). The Directorate is potentially liable for \$375,000 (2020 \$445,000) which represents the excess amount payable on these actions as the Directorate is covered by the ACT Insurance Authority (ACTIA). If the Directorate under the arrangements with ACTIA pays the full amount of a successful claim, the amount less the excess amount is reimbursed to the Directorate by ACTIA. The estimated contingent liability has not been provided for in the Directorate's accounts. The estimated actuarially assessed liability covered by ACTIA is included in ACTIA's financial statements.

Contingent Assets

The Directorate has a contingent asset as at 30 June 2021 related to the Directorate's insurance arrangement where reimbursement from ACTIA occurs (refer to Legal Claims above).

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 26 CASH FLOW RECONCILIATION

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|-----------------|
| (a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Statement of Cash Flows to the Equivalent Items in the Balance Sheet | | |
| Total Cash and Cash Equivalents Recorded in the Balance Sheet | 15,773 | 17,316 |
| Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows | 15,773 | 17,316 |
| (b) Reconciliation of Operating (Deficit) to Net Cash Inflows from Operating Activities | | |
| Operating (Deficit) | (51,930) | (112,321) |
| Add/(Less) Non-Cash Items | | |
| Depreciation and Amortisation | 196,108 | 187,274 |
| Expensing of Capital Works in Progress | 13,641 | 13,424 |
| Write-off/Loss on Disposal of Assets | 172 | 324 |
| Assets Transferred to Other ACT Government Entities | 707 | 761 |
| Assets Located during Stocktake | - | (126) |
| Assets Transferred from Other ACT Government Entities and Private Developers | (145,313) | (82,274) |
| Nominal Interest on ROU Motor Vehicles | 316 | - |
| Provision for Waivers | (1,393) | - |
| Other Non-Cash Items | | |
| Transfers to TCO | - | 14,062 |
| Transfers as a Result of Administrative Arrangements | (833) | 1,820 |
| Add/(Less) Items Classified as Investing or Financing | | |
| Net (Gain) on Disposal of Non-Current Assets | (528) | (199) |
| Capital Works in Progress Accrued | (2,737) | 6,512 |
| Carbon Neutral Fund Loan from EPSDD | 6 | (10) |
| Cash Before Changes in Operating Assets and Liabilities | 8,216 | 29,247 |
| Changes in Operating Assets and Liabilities | | |
| (Increase) in Receivables | (3,735) | (3,016) |
| (Increase) in Inventories | (2) | (429) |
| (Increase) in Other Assets | (514) | (385) |
| Increase/(Decrease) in Payables | 4,686 | (22,770) |
| Increase in Employee Benefits | 3,138 | 3,666 |
| Increase in Contract Liabilities | 272 | 599 |
| Increase in Other Liabilities | - | 138 |
| Net Changes in Operating Assets and Liabilities | 3,845 | (22,197) |
| Net Cash Inflows from Operating Activities | 12,061 | 7,050 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 26 CASH FLOW RECONCILIATION – CONTINUED

(c) Reconciliation of Liabilities Arising from Financing Activities

| | 2020 | Cash Flows | Non-cash changes | | 2021 |
|-------------------|---------------|-------------------|-------------------------|---------------|---------------|
| | \$'000 | \$'000 | New Leases | Other | \$'000 |
| | | | \$'000 | \$'000 | |
| Lease Liabilities | 14,263 | (6,925) | 5,521 | 231 | 13,090 |
| Debt | 14,263 | (6,925) | 5,521 | 231 | 13,090 |

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 27 RELATED PARTY DISCLOSURES

A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Directorate, directly or indirectly.

KMP of the Directorate are the Portfolio Ministers, the Director-General and other members of the Directorate's Executive Team.

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of the Directorate. This Note does not include typical citizen transactions between the KMP and the Directorate that occur on terms and conditions no different to those applying to the general public.

(A) CONTROLLING ENTITIES

The Directorate is an ACT Government controlled entity.

(B) KEY MANAGEMENT PERSONAL

B.1 Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the Note on Related Party Disclosures included in the ACT Executive's financial statements for the financial year ended 30 June 2021.

Compensation of the Head of Service is included in the note on Related Party Disclosures, included in the Chief Minister, Treasury and Economic Development Directorate's financial statements for the financial year ended 30 June 2021.

Compensation by the Directorate to KMP are set out below.

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Short-term employee benefits | 2,767 | 2,814 |
| Post-employment benefits | 426 | 409 |
| Other long-term benefits | 65 | 67 |
| Total Compensation by the Directorate to KMP | 3,258 | 3,290 |

The Directorate had 9 positions classified as KMP in both 2019-20 and 2020-21. As a result of short-term acting arrangements there were 10 members in KMP positions in 2020-21 compared to 12 members in 2019-20.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 27 RELATED PARTY DISCLOSURES – CONTINUED

B.2 Transactions with Key Management Personnel

There were no transactions with KMP that were material to the financial statements of the Directorate.

B.3 Transactions with parties related to Key Management Personnel

There were no transactions with parties related to KMP, including transactions with KMP's close family members or other related entities that were material to the financial statements of the Directorate.

(c) Transactions with other ACT Government Controlled Entities

All transactions with ACT Government controlled entities are disclosed in the relevant notes to the financial statements of the Directorate.

Transport Canberra and City Services Directorate **Notes to and Forming Part of the Financial Statements** **For the Year Ended 30 June 2021**

NOTE 28 BUDGETARY REPORTING

Original Budget refers to the amounts presented to the Legislative Assembly in the original budget financial statements in respect of the reporting period (2020-21 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if both of the following criteria are met:

- (a) The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (b) The variances (Original Budget to actual) are greater than plus (+) or minus (-) 5% and \$15 million for the financial statement line item.

| Income Statement Line Items | Actual 2020-21 \$'000 | Original Budget 2020-21 \$'000 | Variance \$'000 | Variance % | Variance Explanations |
|--------------------------------|-----------------------------|---|--------------------|---------------|---|
| Grants and Contributions | 152,414 | 135,759 | 16,655 | 12 | Higher than budget result is mainly due to higher value of assets transferred from the Suburban Land Agency (\$49.9 million), partially offset by lower than expected asset contributions from Private Developers (\$34.0 million). |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 28 BUDGETARY REPORTING – CONTINUED

| Balance Sheet Line Items | Actual 2020-21 \$'000 | Original Budget 2020-21 \$'000 | Variance \$'000 | Variance % | Variance Explanations |
|-------------------------------------|--------------------------------------|---|----------------------------|-----------------------|--|
| Capital Works in Progress | 177,133 | 79,716 | 97,417 | 122 | The higher than budgeted result is mainly due to the delays of capital infrastructure projects to be completed and transferred to property, plant and equipment. Significant projects included: <ul style="list-style-type: none"> • Road and Road Safety (\$58.8 million); • Better infrastructure for Active Travel (\$22.0 million); • New Woden Bus Depot (\$6.5 million); and • Library Enhancement and Redevelopment (\$2.7 million). |
| Non-Current Other Provisions | 17,508 | 1,000 | 16,508 | 1,651 | The higher than the budget result is mainly due to the reclassification of current to non-current as a result of the delay of the decommissioning of Mugga Lane and West Belconnen landfill sites from 2020-21 to 2022-23. |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 28 BUDGETARY REPORTING – CONTINUED

| Statement of Cash Flows Line Items | Actual 2020-21 \$'000 | Original Budget 2020-21 \$'000 | Variance \$'000 | Variance % | Variance Explanations |
|---|-----------------------------|---|--------------------|---------------|--|
| Supplies and Services | 188,267 | 208,693 | (20,426) | (10) | The lower than budgeted result is mainly due to: <ul style="list-style-type: none"> undrawn Controlled Recurrent Payments (\$7.0 million) relating to infrastructure feasibility studies and community infrastructure repair works as less than expected work were performed during the period on these; delivery of the Directorate's operations internally rather than outsourcing (\$7.0 million); and capitalisation of some road repairs and maintenance costs (\$5.6 million) in accordance with the Australian Accounting Standards which was not anticipated in the budget. |
| Payments for Capital Works in Progress | 125,394 | 184,732 | (59,338) | (32) | The lower than budgeted result is mainly due to the deferral and delays of capital infrastructure projects. Significant projects included: <ul style="list-style-type: none"> Monaro Highway (\$23.2 million); Material Recovery Facility (\$8.3 million); Better buses to support the new bus network (\$6.8 million); Green Waste Rollout (\$5.6 million); New Bus Depot at Woden (\$4.1 million); Rehabilitating landfill sites (\$2.9 million); Molonglo River Bridge (\$2.8 million); Essential Waste Management Infrastructure (\$2.4 million); and Athlton Drive Duplication (\$2.0 million). |
| Capital Injections | 139,760 | 227,437 | (87,677) | (39) | The lower than budgeted result is mainly due to lower payments for Capital Works in Progress as explained above. |

TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE

TERRITORIAL FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2021**

Transport Canberra and City Services Directorate
Statement of Income and Expenses on Behalf of the Territory
For the Year Ended 30 June 2021

| | Note No. | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|--|---------------------|-----------------------------------|--|-----------------------------------|
| Income | | | | |
| Sale of Services from Contracts with Customers | 29 | 16,940 | 25,530 | 16,796 |
| Fees and Fines | | 572 | 14 | 454 |
| Total Income | | 17,512 | 25,544 | 17,250 |
| Expenses | | | | |
| Transfer to Government | 30 | 17,512 | 25,544 | 17,250 |
| Total Expenses | | 17,512 | 25,544 | 17,250 |
| Operating Result | | - | - | - |

The above Statement of Income and Expenses on Behalf of the Territory should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate
Statement of Assets and Liabilities on Behalf of the Territory
At 30 June 2021

| | | Actual | Original Budget | Actual |
|----------------------------------|------|--------------|--------------------|--------------|
| | Note | 2021 | 2021 | 2020 |
| | No. | \$'000 | \$'000 | \$'000 |
| Current Assets | | | | |
| Cash and Cash Equivalents | | 15 | 6 | 6 |
| Receivables | 31 | 2,050 | 1,627 | 1,627 |
| Total Current Assets | | 2,065 | 1,633 | 1,633 |
| Total Assets | | 2,065 | 1,633 | 1,633 |
| Current Liabilities | | | | |
| Payables | 32 | 2,065 | 1,633 | 1,633 |
| Total Current Liabilities | | 2,065 | 1,633 | 1,633 |
| Total Liabilities | | 2,065 | 1,633 | 1,633 |
| Net Assets | | - | - | - |
| Equity | | | | |
| Accumulated Funds | | - | - | - |
| Total Equity | | - | - | - |

The above Statement of Assets and Liabilities on Behalf of the Territory should be read in conjunction with the accompanying Notes.

As the Net Assets and Total Equity has remained at nil, a Statement of Changes in Equity on Behalf of the Territory has not been prepared.

**Transport Canberra and City Services Directorate
Statement of Cash Flows on Behalf of the Territory
For the Year Ended 30 June 2021**

| | Note No. | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|---|---------------------|-----------------------------------|--|-----------------------------------|
| Cash Flows from Operating Activities | | | | |
| Receipts | | | | |
| Sale of Services from Contracts with Customers | | 16,481 | 25,530 | 17,659 |
| Fees and Fines | | 572 | 14 | 454 |
| Goods and Services Tax Collected from Customers | | 2,159 | 2,023 | 2,050 |
| Total Receipts from Operating Activities | | 19,212 | 27,567 | 20,163 |
| Payments | | | | |
| Transfer of Territory Receipts to the ACT Government | | 17,044 | 25,544 | 18,150 |
| Goods and Services Tax Remitted to the Australian Taxation Office | | 2,159 | 2,023 | 2,011 |
| Total Payments from Operating Activities | | 19,203 | 27,567 | 20,161 |
| Net Cash Inflows from Operating Activities | 34 | 9 | - | 2 |
| Net Increase in Cash and Cash Equivalents | | | | |
| Cash and Cash Equivalents at the Beginning of the Reporting Period | | 6 | 6 | 4 |
| Cash and Cash Equivalents at the End of the Reporting Period | 34 | 15 | 6 | 6 |

The above Statement of Cash Flows on Behalf of the Territory should be read in conjunction with the accompanying Notes.

Transport Canberra and City Services Directorate
Territorial Note Index
For the Year Ended 30 June 2021

| | | |
|------|--------------------------|--|
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Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements - Territorial

For the Year Ended 30 June 2021

SIGNIFICANT ACCOUNTING POLICIES – TERRITORIAL

Significant Accounting Policies outlined in the Controlled Financial Statements also apply to the Territorial Statements of the Directorate.

INCOME NOTES

NOTE 29 SALES OF SERVICES FROM CONTRACTS WITH CUSTOMERS – TERRITORIAL

Waste acceptance fees relate to fees associated with the acceptance of commercial and industrial waste at landfill sites. The performance obligation is the provision of landfill site access to a customer. Revenue is recognised at the time of disposal of waste at the landfill sites.

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Sale of Services from Contract with Customers | | |
| Waste Acceptance Fees | 16,940 | 16,796 |
| Total Sale of Services from Contract with Customers | 16,940 | 16,796 |

EXPENSES NOTES

NOTE 30 TRANSFER TO GOVERNMENT – TERRITORIAL

Transfer to Government represents the transfer of money, which the Directorate has collected on behalf of the Territory, to Government, mostly waste acceptance fees.

| | | |
|---|---------------|---------------|
| Transfer to Government | | |
| Payments to the Territory Banking Account | 17,512 | 17,250 |
| Total Transfer to Government | 17,512 | 17,250 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2021

ASSETS NOTES

NOTE 31 RECEIVABLES – TERRITORIAL

Significant Judgements and Estimates

The Directorate has made a significant estimate in the calculation of the allowance for Expected Credit losses for Receivables - Territorial in the Financial Statements. This significant estimate is based on assessment of individual debtors based on historical credit loss experience, adjusted for forward looking factors specific to each debtor.

| | 2021 | 2020 |
|--|----------------------------|----------------------------|
| | \$'000 | \$'000 |
| Current Receivables | | |
| Trade Receivables | 1,889 | 1,529 |
| Less: Allowance for Expected Credit Losses | (120) | (120) |
| | <u>1,769</u> | <u>1,409</u> |
| Accrued Revenue | 281 | 218 |
| Total Current Receivables | <u>2,050</u> | <u>1,627</u> |
| Total Receivables ^a | <u><u>2,050</u></u> | <u><u>1,627</u></u> |

a) The increase (\$0.4 million) is mainly due to large volume of waste disposed at landfill sites towards the end of financial year by customers.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2021

NOTE 31 RECEIVABLES – TERRITORIAL – CONTINUED

Ageing of Receivables

| | Not Overdue \$'000 | Overdue | | | Total \$'000 |
|---------------------|-----------------------|--------------------------------|----------------------------|-----------------------------------|-----------------|
| | | Less than 30 Days \$'000 | 30 to 60 Days \$'000 | Greater than 60 Days \$'000 | |
| 2021 | | | | | |
| Not Impaired | | | | | |
| Receivables | 1,560 | 364 | - | 126 | 2,050 |
| Impaired | | | | | |
| Receivables | - | - | - | 120 | 120 |
| 2020 | | | | | |
| Not Impaired | | | | | |
| Receivables | 1,458 | 61 | - | 108 | 1,627 |
| Impaired | | | | | |
| Receivables | - | - | - | 120 | 120 |
| | | | | 2021 | 2020 |
| | | | | \$'000 | \$'000 |

Reconciliation of the Allowance for Impairment Losses

| | | |
|---|------------|------------|
| Beginning of the Reporting Period | 120 | 124 |
| Recoveries During the Reporting Period | - | (4) |
| Allowance for Impairment Losses at the End of the Reporting Period | 120 | 120 |

Classification of Receivables

Receivables with ACT Government Entities

| | | |
|---|-----------|-----------|
| Trade Receivables | 11 | 12 |
| Total Receivables with ACT Government Entities | 11 | 12 |

Receivables with Non-ACT Government Entities

| | | |
|---|--------------|--------------|
| Trade Receivables | 1,758 | 1,397 |
| Accrued Revenue | 281 | 218 |
| Total Receivables with Non-ACT Government Entities | 2,039 | 1,615 |
| Total Receivables | 2,050 | 1,627 |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2021

LIABILITIES NOTES

NOTE 32 PAYABLES – TERRITORIAL

| | 2021 | 2020 |
|------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Current Payables | | |
| Accrued Expenses | 1,873 | 1,441 |
| Net Goods and Services Tax Payable | 192 | 192 |
| Total Current Payables | 2,065 | 1,633 |
| Total Payables ^a | 2,065 | 1,633 |

No payables are overdue.

Classification of Payables

Payables with ACT Government Entities

| | | |
|--|--------------|--------------|
| Accrued Expenses | 1,873 | 1,441 |
| Total Payables with ACT Government Entities | 1,873 | 1,441 |

Payables with Non-ACT Government Entities

| | | |
|--|------------|------------|
| Net Goods and Services Tax Payable | 192 | 192 |
| Total Payables with Non-ACT Government Entities | 192 | 192 |

| | | |
|-----------------------|--------------|--------------|
| Total Payables | 2,065 | 1,633 |
|-----------------------|--------------|--------------|

- a) The increase (\$0.4 million) is due to higher amounts to be transferred to the Territory Banking Account. Refer to Note 31 Receivables – Territorial for more information.

Transport Canberra and City Services Directorate

Notes to and Forming Part of the Financial Statements - Territorial

For the Year Ended 30 June 2021

OTHER NOTES

NOTE 33 FINANCIAL INSTRUMENTS – TERRITORIAL

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Directorate's Territorial credit risk is limited to the amount of the financial assets held less any provision for losses. The Directorate expects to collect all financial assets that are not past due or impaired. There is no collateral held as security for financial assets.

The primary credit risk arises from account holders for commercial waste disposal at ACT landfills. This risk is addressed through approval of credit applications, monitoring debt ageing reports, facility access restrictions and formal debt recovery processes.

There have been no significant changes in credit risk exposure since last reporting period.

Fair Value of Financial Assets and Liabilities

| | Note No. | Carrying Amount 2021 \$'000 | Carrying Amount 2020 \$'000 |
|-------------------------------|-------------|--------------------------------------|--------------------------------------|
| Financial Assets | | | |
| Receivables | 31 | 1,769 | 1,409 |
| Cash and Cash Equivalents | | 15 | 6 |
| Total Financial Assets | | 1,784 | 1,415 |

All financial assets are non-interest bearing and their fair value approximate carrying amounts.

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2021

NOTE 34 CASH FLOW RECONCILIATION – TERRITORIAL

(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Statement of Cash Flows on Behalf of the Territory to the Related Items in the Statement of Assets and Liabilities on Behalf of the Territory.

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Total Cash and Cash Equivalents Recorded on the Statement of Assets and Liabilities on Behalf of the Territory | 15 | 6 |
| Cash at the End of the Reporting Period as Recorded in the Statement of Cash Flows on Behalf of the Territory | 15 | 6 |

(b) Reconciliation of the Operating Result to Net Cash Inflows from Operating Activities

| | | |
|--|----------|----------|
| Operating Result | - | - |
| Cash Before Changes in Operating Assets and Liabilities | - | - |
| Changes in Operating Assets and Liabilities | | |
| (Increase)/Decrease in Receivables | (423) | 493 |
| Increase/(Decrease) in Payables | 432 | (491) |
| Net Changes in Operating Assets and Liabilities | 9 | 2 |
| Net Cash Inflows from Operating Activities | 9 | 2 |

Transport Canberra and City Services Directorate **Notes to and Forming Part of the Financial Statements - Territorial** **For the Year Ended 30 June 2021**

NOTE 35 BUDGETARY REPORTING – TERRITORIAL

Original Budget refers to the amounts presented to the Legislative Assembly in the original budget financial statements in respect of the reporting period (2020-21 Budget Statements). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if both of the following criteria are met:

- (a) The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (b) The variances (Original Budget to actual) are greater than plus (+) or minus (-) 5% and \$1 million for the financial statement line item.

| Statement of Income and Expenses on Behalf of the Territory Line Items | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Variance \$'000 | Variance % | Variance Explanations |
|--|--------------------|-----------------------------|-----------------|------------|--|
| Sale of Services from Contracts with Customers | 16,940 | 25,530 | (8,590) | (34) | The lower than budgeted amount is a result of fees for waste disposal not increasing in line with the budget due to the COVID-19 pandemic. |
| Transfer to Government | 17,512 | 25,544 | (8,032) | (31) | The lower than budgeted result is as explained above as all revenue is transferred to the Territory Banking Account. |

Transport Canberra and City Services Directorate
Notes to and Forming Part of the Financial Statements - Territorial
For the Year Ended 30 June 2021

NOTE 35 BUDGETARY REPORTING – TERRITORIAL - CONTINUED

| Statement of Cash Flows on Behalf of the Territory Line Items | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Variance \$'000 | Variance % | Variance Explanations |
|--|-----------------------------------|--|----------------------------|-----------------------|--|
| Sale of Services from Contracts with Customers | 16,481 | 25,530 | (9,049) | (35) | The lower than budgeted amount is a result of fees for waste disposal not increasing in line with the budget due to the COVID-19 pandemic. |
| Transfer of Territory Receipts to the ACT Government | 17,044 | 25,544 | (8,500) | (33) | The lower than budgeted result is as explained above as all revenue is transferred to the Territory Banking Account. |

INDEPENDENT AUDITOR'S REPORT

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of Transport Canberra Operations for the year ended 30 June 2021 which comprise the operating statement, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, Transport Canberra Operations' financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of Transport Canberra Operations in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Transport Canberra Operations for the financial statements

The Director-General of the Transport Canberra and City Services Directorate is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996*, and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of Transport Canberra Operations to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Auditor's responsibilities for the audit of the financial statements

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an auditor's report that includes an independent opinion on the financial statements of Transport Canberra Operations.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of Transport Canberra Operations' internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Transport Canberra Operations;
- conclude on the appropriateness of Transport Canberra Operations' use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Transport Canberra Operations' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause Transport Canberra Operations to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicated with the Director-General of the Transport Canberra and City Services Directorate regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Sharma

Assistant Auditor-General, Financial Audit

14 September 2021

TRANSPORT CANBERRA OPERATIONS

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2021**

Independent Auditor's Report

[Insert the Report from the ACT Audit Office.]

**Transport Canberra Operations
Financial Statements
For the Year Ended 30 June 2021**

Statement of Responsibility

In my opinion, the financial statements are in agreement with Transport Canberra Operations' (TCO) accounts and records and fairly reflect the financial operations of TCO for the year ended 30 June 2021 and the financial position of TCO on that date.



Alison Playford

Director-General

Transport Canberra and City Services Directorate

10 September 2021

**Transport Canberra Operations
Financial Statements
For the Year Ended 30 June 2021**

Statement by the Chief Financial Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards and agree with Transport Canberra Operations' (TCO) accounts and records and fairly reflect the financial operations of TCO for the year ended 30 June 2021 and the financial position of TCO on that date.

Andrew Pedersen

Andrew Pedersen

Chief Financial Officer

Transport Canberra and City Services Directorate

10 September 2021

Transport Canberra Operations Operating Statement For the Year Ended 30 June 2021

| | Note No. | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|---|-------------|--------------------------|--------------------------------------|--------------------------|
| Income | | | | |
| <i>Revenue</i> | | | | |
| Sale of Services from Contracts with Customers | 4 | 18,870 | 18,406 | 23,443 |
| Contributions | 5 | 202,830 | 205,328 | 188,534 |
| Other Revenue | | 4,662 | 1,303 | 2,285 |
| Total Revenue | | 226,362 | 225,037 | 214,262 |
| <i>Gains</i> | | | | |
| Gains from Disposal of Assets | | - | - | 41 |
| Total Gains | | - | - | 41 |
| Total Income | | 226,362 | 225,037 | 214,303 |
| Expenses | | | | |
| Employee Expenses | 6 | 117,761 | 112,428 | 109,755 |
| Superannuation Expenses | 7 | 14,483 | 15,152 | 13,184 |
| Supplies and Services ^a | 8 | 75,680 | 80,258 | 71,811 |
| Depreciation and Amortisation | 9 | 33,649 | 33,248 | 32,027 |
| Borrowing Costs | 10 | 18,871 | 18,536 | 18,724 |
| Expensing of Capital Works in Progress | 11 | 11,766 | - | 2,404 |
| Other Expenses | | 831 | 685 | 344 |
| Total Expenses | | 273,041 | 260,307 | 248,249 |
| Operating (Deficit) before Income Tax | | (46,679) | (35,270) | (33,946) |
| Income Tax Equivalents Income | 24(a) | 14,208 | - | 10,228 |
| Operating (Deficit) | | (32,471) | (35,270) | (23,718) |
| Other Comprehensive Income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Increase in the Asset Revaluation Surplus | 20 | 1,710 | 5,505 | 19,893 |
| Total Other Comprehensive Income | | 1,710 | 5,505 | 19,893 |
| Total Comprehensive (Deficit) | | (30,761) | (29,765) | (3,825) |

The above Operating Statement should be read in conjunction with the accompanying notes.

- a) Some 2020 comparatives figures have been reclassified to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 3 'Change in Accounting Policy' for further information.

Transport Canberra Operations (TCO) has only one output class and as such the above Operating Statement is also TCO's Operating Statement for the Transport Canberra Operations Output Class.

Transport Canberra Operations Balance Sheet At 30 June 2021

| | Note No. | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|--|-------------|--------------------------|--------------------------------------|--------------------------|
| Current Assets | | | | |
| Cash and Cash Equivalents | 13 | 15,859 | 15,230 | 15,957 |
| Receivables | | 2,144 | 2,149 | 2,145 |
| Inventories | | 4,021 | 3,766 | 3,673 |
| Other Current Assets | | 419 | 361 | 361 |
| Total Current Assets | | 22,443 | 21,506 | 22,136 |
| Non-Current Assets | | | | |
| Property, Plant and Equipment ^a | 14 | 919,703 | 917,641 | 942,445 |
| Capital Works in Progress | | 3,563 | 6,952 | 4,547 |
| Intangible Assets | | 48 | 1,095 | 95 |
| Other Assets | | - | 385 | 385 |
| Total Non-Current Assets | | 923,314 | 926,073 | 947,472 |
| Total Assets | | 945,757 | 947,579 | 969,608 |
| Current Liabilities | | | | |
| Payables | 15 | 6,675 | 6,352 | 6,324 |
| Interest-Bearing Liabilities ^a | 17 | 12,396 | 12,407 | 11,802 |
| Employee Benefits | 18 | 33,737 | 33,201 | 31,989 |
| Contract Liabilities | 19 | 7,839 | 7,276 | 7,154 |
| Total Current Liabilities | | 60,647 | 59,236 | 57,269 |
| Non-Current Liabilities | | | | |
| Payables | 15 | - | 750 | 750 |
| Interest-Bearing Liabilities ^a | 17 | 297,255 | 293,900 | 305,657 |
| Employee Benefits | 18 | 1,434 | 2,042 | 1,275 |
| Deferred Tax Liabilities | 24(d) | 74,385 | 88,080 | 88,080 |
| Total Non-Current Liabilities | | 373,074 | 384,772 | 395,762 |
| Total Liabilities | | 433,721 | 444,008 | 453,031 |
| Net Assets | | 512,036 | 503,571 | 516,577 |
| Equity | | | | |
| Accumulated Funds | | 445,161 | 427,961 | 450,899 |
| Asset Revaluation Surplus | 20 | 66,875 | 75,610 | 65,678 |
| Total Equity | | 512,036 | 503,571 | 516,577 |

The above Balance Sheet should be read in conjunction with the accompanying notes.

- a) Some 2020 comparatives figures have been reclassified to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 3 'Change in Accounting Policy' for further information.

TCO has only one output class and as such the above Balance Sheet is also TCO's Balance Sheet for the Transport Canberra Operations Output Class.

Transport Canberra Operations Statement of Changes in Equity For the Year Ended 30 June 2021

| | | Accumulated Funds Actual 2021 \$'000 | Asset Revaluation Surplus Actual 2021 \$'000 | Total Equity Actual 2021 \$'000 | Original Budget 2021 \$'000 |
|---|-------------|--|---|---|--------------------------------------|
| | Note No. | | | | |
| Balance at 1 July 2020 | | 450,899 | 65,678 | 516,577 | 516,578 |
| Comprehensive (Deficit) | | | | | |
| Operating (Deficit) | | (32,471) | - | (32,471) | (29,765) |
| Deferred Tax Liability adjustment | 24(c) | - | (513) | (513) | - |
| Increase in the Asset Revaluation Surplus | 20 | - | 1,710 | 1,710 | - |
| Total Comprehensive (Deficit)/Income | | (32,471) | 1,197 | (31,274) | (29,765) |
| Transactions Involving Owners Affecting Accumulated Funds | | | | | |
| Net Assets transferred from Major Projects Canberra ^a | | 10,709 | - | 10,709 | - |
| Capital Payments from the Transport Canberra and City Services Directorate | | 16,024 | - | 16,024 | 16,758 |
| Total Transactions Involving Owners Affecting Accumulated Funds | | 26,733 | - | 26,733 | 16,758 |
| Balance at 30 June 2021 | | 445,161 | 66,875 | 512,036 | 503,571 |

a) Net Assets Transferred from Major Projects Canberra relates to finalisation of the light rail construction works.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Transport Canberra Operations
Statement of Changes in Equity – Continued
For the Year Ended 30 June 2021

| | | Accumulated Funds Actual 2020 \$'000 | Asset Revaluation Surplus Actual 2020 \$'000 | Total Equity Actual 2020 \$'000 |
|---|-------------|--|---|---|
| | Note No. | | | |
| Balance at 1 July 2019 | | 114,832 | 45,785 | 160,617 |
| Comprehensive (Deficit) | | | | |
| Operating (Deficit) | | (23,718) | - | (23,718) |
| Initial recognition of Deferred Tax Liabilities | 24 | (93,881) | (4,427) | (98,308) |
| Increase in the Asset Revaluation Surplus | 20 | - | 24,320 | 24,320 |
| Total Comprehensive (Deficit)/Income | | (117,599) | 19,893 | (97,706) |
| Transactions Involving Owners Affecting Accumulated Funds | | | | |
| Net Assets transferred from the Transport Canberra and City Services Directorate | 20 | 403,812 | - | 403,812 |
| Net Assets transferred from Major Projects Canberra | | 16,955 | - | 16,955 |
| Capital Payments from the Transport Canberra and City Services Directorate | | 32,899 | - | 32,899 |
| Total Transactions Involving Owners Affecting Accumulated Funds | | 453,666 | - | 453,666 |
| Balance at 30 June 2020 | | 450,899 | 65,678 | 516,577 |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Transport Canberra Operations

Statement of Cash Flows

For the Year Ended 30 June 2021

| | Note No. | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|--|-------------|--------------------------|--------------------------------------|--------------------------|
| Cash Flows from Operating Activities | | | | |
| Receipts | | | | |
| Contributions | | 200,010 | 205,034 | 187,194 |
| Sale of Services from Contracts with Customers | | 19,710 | 17,499 | 25,167 |
| Fuel Tax Credits | | 1,864 | 767 | 1,850 |
| Goods and Services Input Tax Credits from the Australian Taxation Office | | 10,691 | 3,467 | 4,259 |
| Goods and Services Tax Collected from Customers | | 3,833 | 3,006 | 10,681 |
| Other | | 2,747 | 536 | 531 |
| Total Receipts from Operating Activities | | 238,855 | 230,309 | 229,682 |
| Payments | | | | |
| Employees | | 116,263 | 111,346 | 105,420 |
| Superannuation | | 14,407 | 15,151 | 13,074 |
| Supplies and Services | | 75,792 | 78,527 | 78,030 |
| Goods and Services Tax Paid to Suppliers | | 10,512 | 3,468 | 11,420 |
| Goods and Services Tax Remitted to the Australian Taxation Office | | 3,750 | 3,006 | 4,363 |
| Borrowing Costs | | 17,356 | 18,536 | 18,723 |
| Other | | 317 | 372 | 302 |
| Total Payments from Operating Activities | | 238,397 | 230,406 | 231,332 |
| Net Cash Inflows/(Outflows) from Operating Activities | 25 | 458 | (97) | (1,650) |
| Cash Flows from Investing Activities | | | | |
| Receipts | | | | |
| Proceeds from Sale of Property, Plant and Equipment | | 75 | - | 97 |
| Total Receipts from Investing Activities | | 75 | - | 97 |
| Payments | | | | |
| Purchase of Property, Plant and Equipment | | 4,816 | 5,197 | 22,805 |
| Purchase of Intangibles | | - | 1,000 | - |
| Total Payments from Investing Activities | | 4,816 | 6,197 | 22,805 |
| Net Cash (Outflows) from Investing Activities | | (4,741) | (6,197) | (22,708) |

**Transport Canberra Operations
Statement of Cash Flows – Continued
For the Year Ended 30 June 2021**

| | Note No. | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|--|-------------|--------------------------|--------------------------------------|--------------------------|
| Cash Flows from Financing Activities | | | | |
| Receipts | | | | |
| Capital Payments from the Transport Canberra and City Services Directorate | | 16,024 | 16,877 | 32,899 |
| Receipts of Transferred Cash Balances | | - | - | 6,129 |
| Carbon Neutral Loan from the Environment, Planning and Sustainable Development Directorate (EPSDD) | | - | - | 1,325 |
| Total Receipts from Financing Activities | | 16,024 | 16,877 | 40,353 |
| Payments | | | | |
| Repayment of Borrowings | | 1,023 | 443 | 341 |
| Repayment of Lease Liabilities - Principal | | 1,291 | 594 | 316 |
| Repayment of Service Concession Arrangement Financial Liability - Principal ^a | | 9,525 | 10,272 | 10,000 |
| Total Payments from Financing Activities | | 11,839 | 11,309 | 10,657 |
| Net Cash Inflows from Financing Activities | | 4,185 | 5,568 | 29,696 |
| Net (Decrease)/Increase in Cash and Cash Equivalents | | (98) | (726) | 5,338 |
| Cash and Cash Equivalents at the Beginning of the Reporting Period | | 15,957 | 15,956 | 10,619 |
| Cash and Cash Equivalents at the End of the Reporting Period | 25 | 15,859 | 15,230 | 15,957 |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

- a) Some 2020 comparatives figures have been reclassified to reflect the adoption of AASB 1059 Service Concession Arrangements: Grantors. Refer to Note 3 'Change in Accounting Policy' for further information.

Transport Canberra Operations

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Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 1 OBJECTIVES OF TRANSPORT CANBERRA OPERATIONS

Legal Form and Principal Place of Business

Transport Canberra Operations (TCO) is a public trading enterprise within the Transport Canberra and Business Services Division of the Transport Canberra and City Services Directorate (TCCS). TCO is a separate reporting entity with its own financial information, strategic and accountability indicators.

Operations and Principal Activities

TCO delivers public transport services throughout the city. Transport Canberra Operations services are delivered in line with the ACT Government's vision to provide a convenient, efficient, affordable, reliable and integrated public transport system for the community. Public transport services managed or delivered by TCO include scheduled light rail services, route bus services, school bus services, flexible bus services, special needs transport and management of the ACT rural school bus contract.

NOTE 2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Legislative Requirement

The *Financial Management Act 1996* (FMA) requires TCO to prepare annual financial statements.

The FMA and the *Financial Management Guidelines* issued under the Act, requires TCO's financial statements to include:

- (i) an Operating Statement for the reporting period;
- (ii) a Balance Sheet at the end of the reporting period;
- (iii) a Statement of Changes in Equity for the reporting period;
- (iv) a Statement of Cash Flows for the reporting period;
- (v) the significant accounting policies adopted for the reporting period; and
- (vi) such other statements as necessary to fairly reflect the financial operations of TCO during the reporting period and its financial position at the end of the reporting period.

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. Accordingly, these financial statements have been prepared in accordance with:

- (i) Australian Accounting Standards; and
- (ii) ACT Accounting and Disclosure Policies.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS – CONTINUED

Going Concern

At 30 June 2021, TCO's current liabilities (\$60.6 million) exceeded its current assets (\$22.4 million) by \$38.2 million. This is not considered to be a liquidity risk as TCO receives regular service payments from the ACT Government through TCCS. Furthermore, the current liabilities balance relates primarily to leave liabilities which are not all expected to be paid within 12 months.

The 2020-21 financial statements have been prepared on a going concern basis as TCO delivers essential public transport services to ACT residents and funded in the 2021-22 Budget. The 2021-22 Budget will be presented in the Legislative Assembly and will be debated subsequent to the signing of these Financial Statements.

Impact of COVID-19

TCO has assessed the impact of the COVID-19 pandemic on the balances included in its financial statements. The recoverability of Receivables and values of its Property, Plant and Equipment are the two areas that may be potentially impacted by the continuing COVID-19 pandemic. TCO has concluded that COVID-19 has not had a material impact on either of these balances. Significant variances compared to prior year resulting from the COVID-19 pandemic are explained within the relevant notes. There were no significant variances compared to budget. Fare revenue had a significant decline due to COVID-19. TCO received additional contributions to offset the reduction in fare revenue. This is expected to continue in the foreseeable future with the continuation of restrictions caused by the pandemic.

Accrual Accounting

The Financial Statements have been prepared using the accrual basis of accounting. The Financial Statements have also been prepared according to the historical cost convention, except for assets such as those included in Property, Plant and Equipment, which have been valued at fair value.

Currency

These Financial Statements are presented in Australian dollars.

Budget Figures

To facilitate a comparison with the Budget Papers, as required by the FMA, budget information for 2020-21 has been presented in the Financial Statements. Budget numbers in the Financial Statements are the original budget numbers that appear in the 2020-21 Budget Papers.

Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars (\$'000).

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 3 CHANGE IN ACCOUNTING POLICY

This note explains the impact of the adoption of AASB 1059 Service Concession Arrangements: Grantors.

Initial application of AASB 1059

TCO is applying AASB 1059 Service Concession Arrangements: Grantors for the first time in the 2020-21 financial year, given the standard comes into effect for annual reporting periods beginning on or after 1 January 2020. This has resulted in TCO changing its accounting policy in relation to existing accounting for the Light Rail Stage 1 Service Concession Arrangements.

Prior to the introduction of AASB 1059, TCO's accounting policy for this arrangement was based on UK FRS 5 'Reporting the Substance of Transactions: Application Note F Private Finance Initiative and Similar Contracts', as required by the ACT Accounting Policy Paper 'Public Private Partnerships Financed by the Operator the Assets being Territory Assets at the end of the Arrangement'. Under FRS 5, TCO accounted for assets as leases based on a risks and rewards approach. However, TCO has now adopted a control-based approach to the recognition of assets in accordance with AASB 1059.

Under AASB 1059 assets are measured at current replacement cost on initial recognition or reclassification. Subsequently service concession assets can be measured at fair value (current replacement cost) using the fair value model or at cost using the cost model in accordance with AASB 116. Light rail assets are measured at fair value and depreciated over their useful lives.

A service concession liability is recognised at the same time as recognising or reclassifying a service concession asset. The service concession liability is initially measured at the same amount as the asset, adjusted for any other consideration exchanged between grantor and the operator. Where an existing asset is reclassified as a service concession asset then an entity does not recognise a corresponding service concession liability for this asset, except in circumstances where additional consideration is provided for the asset by the operator. The service concession liability is initially recognised as a financial liability where TCO has a contractual obligation to make specified or determinable future payments to the operator for the construction, development, acquisition or upgrade of a service concession asset.

The financial liability portion is calculated by discounting future payments using the contractually specified interest rate or otherwise a prevailing market rate for a similar instrument with a similar credit rating. Subsequent to initial recognition, the service concession financial liability accrues interest and is reduced when capital payments are made to the operator.

On transition to AASB 1059, TCO has applied the modified retrospective approach so that service concession assets and liabilities are recognised retrospectively as an adjustment to opening comparative balances at 1 July 2019, with any net difference taken to opening accumulated surplus.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 3 CHANGE IN ACCOUNTING POLICY – CONTINUED

Impact of AASB 1059

The impact of application of AASB 1059 has been reclassification in nature. There were no changes to the current or comparative amounts resulting from the initial application of AASB 1059. The below table provides details about the changes made to classification of comparative figures due to the new accounting treatment.

| Measurement of Service Concession Arrangement Line Items <u>Post</u> AASB 1059 Application | | Measurement of Service Concession Arrangement Line Items <u>Pre</u> AASB 1059 Application | |
|---|---------------|--|---------------|
| | 2020 | | 2020 |
| | \$'000 | | \$'000 |
| Assets | | Assets | |
| Service Concession Arrangement Building | 84,040 | Right-of-use Building | 84,040 |
| Service Concession Arrangement Plant and Equipment | 175,735 | Right-of-use Plant and Equipment | 175,735 |
| Service Concession Arrangement Infrastructure Assets | 475,817 | Right-of-use Infrastructure Assets | 475,817 |
| Liabilities | | Liabilities | |
| Service Concession Arrangement Financial Liability | 313,568 | Light Rail Stage 1 Lease Liabilities | 313,568 |
| Expenses | | Expenses | |
| Service Concession Arrangement Finance Costs | 18,534 | Public Private Partnerships Interest for Light Rail | 18,534 |
| Service Concession Arrangement Service Expenses | 24,622 | Public Private Partnerships Monthly Service Payments | 24,622 |
| Service Concession Arrangement Building Depreciation | 1,656 | Right-of-use Building Depreciation | 1,656 |
| Service Concession Arrangement Plant and Equipment Depreciation | 5,867 | Right-of-use Plant and Equipment Depreciation | 5,867 |
| Service Concession Arrangement Infrastructure Depreciation | 9,376 | Right-of-use Infrastructure Depreciation | 9,376 |

TCO discloses its accounting policies on fair value, cost measurement, impairment and depreciation of Property, Plant and Equipment in the relevant financial statement notes and these policies also apply to Service Concession Arrangement assets.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

INCOME NOTES

REVENUE RECOGNITION

Revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers where the contract is enforceable and contains sufficiently specific performance obligations, otherwise revenue is in the scope of AASB 1058 Income of Not-for-Profit Entities.

NOTE 4 SALE OF SERVICES FROM CONTRACTS WITH CUSTOMERS

Revenue recognised in this note is that within the scope of AASB 15. TCO has undertaken a review to determine whether the goods and services it provides need to be classified as revenue from contracts with customers in accordance with AASB 15. This review involved obtaining information about contracts and other arrangements to make an assessment about whether any of these arrangements fall within the scope of AASB 15. TCO then assessed its revenue from contracts with customers to determine the timing and nature of the satisfaction of performance obligations.

TCO earns revenue from providing goods and services to other ACT Government agencies and to the public. Revenue is based on the transfer of promised goods or services to customers at an amount that reflects the consideration in exchange for those goods or services. Revenue is recognised by applying a five step model under AASB 15.

The timing of the payment for sale of goods and rendering of services largely corresponds with the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. TCO does not offer volume discounts to its customers.

Fare revenue is recognised from the provision of public transport services. The performance obligation is the provision of public transport services to a customer. TCO meets its performance obligation and records fares revenue when customers pay cash fares or tap MyWay cards on buses and light rail.

Advertising revenue is generated from advertising displayed on buses and the light rail. The performance obligation is the display of the advertisements. Advertising is managed by third party providers and revenue is recognised when the advertisement is placed on buses and the light rail.

Charter revenue is derived from the provision of special transport services to customers. The performance obligation is the provision of the transport services to a customer. Charter revenue is recognised when the transport service is provided to a customer.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

**NOTE 4 SALE OF SERVICES FROM CONTRACTS WITH CUSTOMERS –
CONTINUED**

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Non-ACT Government Customers | | |
| Fares ^a | 17,810 | 21,957 |
| Advertising | 926 | 1,267 |
| Charter | 134 | 219 |
| Total Sale of Services to Non-ACT Government Customers | 18,870 | 23,443 |
| Total Sale of Services from Contracts with Customers | 18,870 | 23,443 |

- a) The decrease (\$4.1 million) is mainly due to lower number of passengers using public transport due to the COVID-19 pandemic. In 2021, the impact of the pandemic was for the entire year compared to 3 months in 2020.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 5 CONTRIBUTIONS

TCO has determined that revenue recorded in this note are not enforceable and they do not contain sufficiently specific performance obligations for recognising revenue from contracts with customers under AASB 15. This is because TCO is not required to provide an equal amount in return for the consideration received. As such, AASB 1058 has been applied for recognising this revenue.

Revenue is generally recognised based on the asset received (generally cash or other financial asset) at fair value, except for Concessional Travel Payments which are recorded when TCO has unconditional right to receive the subsidy for providing discounted travel rates.

When TCO receives an asset or services for significantly less than fair value, revenue is recognised on receipt of the asset / services. Where services are received, the expense is recognised in the line item to which it relates.

Resources Received Free of Charge

Goods and services received free of charge from ACT Government agencies are recognised as resources received free of charge, whereas goods and services received free of charge from entities external to the ACT Government are recognised as donations or contributions.

Services that are received free of charge are only recognised in the Operating Statement if they can be reliably measured and would have been purchased if not provided free of charge.

Legal and Other Services were received free of charge from the ACT Government Solicitor's Office (GSO) for legal services and access to a radio network from the Emergency Services Agency. The GSO provided TCO with the fair value of the services provided free of charge. TCO does not have legal expertise in house therefore it would have had to pay for these services had they not been received free of charge.

Fixed costs from Shared Services are charged for Finance, Human Resources and Records services provided to TCO. TCO would have had to purchase these services if they were not provided by Shared Services. As such, these amounts have been recognised as resources received free of charge.

Other Contributions

Service Payments from the Transport Canberra and City Services Directorate (TCCS) are made for TCO to provide public transport services to the community. This is a contribution from the ACT Government for TCO's operations and does not have any performance obligations. TCO records contributions upon receipt of cash.

TCO received concessional travel payments for providing discounted travel to the public through the Chief Minister, Treasury and Economic Development Directorate (CMTEDD). Discounted travel rates include student fares and other concession fares. The amounts recorded are calculated based on actual discounted travel recorded in the ticketing system.

Asset Contributions relate to assets received by TCO from other entities. TCO records the value of assets based on information received from the transferring entity.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 5 CONTRIBUTIONS – CONTINUED

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Resources Received Free of Charge | | |
| Legal and Other Services | 456 | 439 |
| Shared Services Finance - Fixed Costs | 493 | 415 |
| Shared Services Human Resources - Fixed Costs | 857 | 846 |
| Shared Services Records Services - Fixed Costs | 6 | 8 |
| Total Resources Received Free of Charge | 1,812 | 1,708 |
| Other Contributions | | |
| Service Payments from TCCS ^a | 194,641 | 179,445 |
| Concessional Travel Payments ^b | 5,694 | 7,233 |
| Asset Contributions from TCCS | 683 | 148 |
| Total Other Contributions | 201,018 | 186,826 |
| Total Contributions | 202,830 | 188,534 |

a) The increase (\$15.2 million) is mainly due to additional funding in 2020-21:

- received from the ACT Government (\$10.8 million) (through TCCS) to offset reduction in fare revenue resulting from the COVID-19 pandemic; and
- for bus operations (\$10.2 million) to improve network frequency.

These were partially offset by the Treasurer's Advance received in 2019-20 (\$5.2 million).

b) The decrease (\$1.5 million) is mainly due to a lower number of concession card holders using public transport due to the COVID-19 pandemic.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

EXPENSE NOTES

NOTE 6 EMPLOYEE EXPENSES

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Wages and Salaries ^a | 99,405 | 87,425 |
| Workers' Compensation Insurance Premium ^b | 4,306 | 5,776 |
| Payroll Tax | 8,099 | 7,099 |
| Annual Leave Expense ^c | 3,574 | 5,537 |
| Long Service Leave Expense ^d | 1,521 | 2,862 |
| Fringe Benefits Tax | 492 | 627 |
| Other Employee Benefits and On-Costs | 364 | 429 |
| Total Employee Expenses | 117,761 | 109,755 |

- a) The increase (\$12.0 million) is mainly due to salary increases and higher number of staff employed for the new bus network and additional weekend bus services.
- b) The decrease (\$1.5 million) is mainly due to TCO's lower workers compensation claims history resulting in lower insurance premiums.
- c) The decrease (\$2.0 million) is mainly due to:
- less leave taken by employees (\$1.1 million) due to the COVID-19 pandemic; and
 - light rail function transferred from TCCS to TCO in 2019-20 (23 full-time equivalent staff).
- d) The decrease (\$1.3 million) is mainly due to a decrease in the rate used to estimate the present value of Long Service Leave liabilities from 113.6% to 108.7%.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 7 SUPERANNUATION EXPENSES

Employees of TCO will have different superannuation arrangements due to the type of superannuation scheme available at the time of commencing employment, including both defined benefit and defined contribution superannuation scheme arrangements. For employees who are members of the defined benefit Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation Scheme (PSS) TCO makes employer superannuation contribution payments to the Territory Banking Account at a rate determined by the Chief Minister, Treasury and Economic Development Directorate. TCO also makes productivity superannuation contribution payments on behalf of these employees to the Commonwealth Superannuation Corporation, which is responsible for administration of the schemes.

For employees who are members of defined contribution superannuation schemes (the Public Sector Superannuation Scheme Accumulation Plan (PSSAP) and schemes of employee choice), TCO makes employer superannuation contribution payments directly to the employees' relevant superannuation fund.

All defined benefit employer superannuation contributions are recognised as expenses on the same basis as the employer superannuation contributions made to defined contribution schemes. For TCO employees who are members of the defined benefit schemes CSS or PSS, the superannuation benefits payable upon retirement are recognised in the Financial Statements of the Superannuation Provision Account.

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Superannuation Contributions to the Territory Banking Account | 5,866 | 5,914 |
| Superannuation to External Providers ^a | 7,896 | 6,576 |
| Productivity Benefit | 721 | 694 |
| Total Superannuation Expenses | 14,483 | 13,184 |

- a) The increase (\$1.3 million) is mainly due to salary increases and higher number of employees for the new bus network and additional weekend bus services, with majority being members of external superannuation funds.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 8 SUPPLIES AND SERVICES

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Service Concession Arrangement - Service Payments ^{a, g} | 26,572 | 24,622 |
| Fuel | 13,179 | 13,132 |
| Bus Maintenance and Other Running Expenses | 9,957 | 10,644 |
| Insurance | 4,311 | 4,504 |
| Special Needs Transport and Rural Schools Service Payments ^b | 4,521 | 3,697 |
| Building and Facilities Operating Costs ^c | 4,480 | 3,266 |
| Contractors and Consultants ^d | 4,954 | 3,412 |
| Information Technology and Telecommunications | 2,981 | 2,624 |
| Finance, Procurement and Human Resources Service Charges | 1,350 | 1,365 |
| Support Vehicles and Fuel Charges | 437 | 782 |
| Audit Fees ^e | 149 | 150 |
| Other ^f | 2,789 | 3,613 |
| Total Supplies and Services | 75,680 | 71,811 |

- a) The increase (\$2.0 million) is mainly due to higher cost of delivering services under the contract and additional light rail services.
- b) The increase (\$0.8 million) is mainly due to higher costs under the new contract with the service providers to deliver Special Needs Transport services.
- c) The increase (\$1.2 million) is mainly due to higher cleaning costs resulting from additional cleaning undertaken due to the COVID-19 pandemic.
- d) The increase (\$1.5 million) is mainly due to higher consultant costs associated with light rail operations and payments for replacement bus services whilst light rail was not operational due to scheduled maintenance.
- e) Audit fees are paid to the ACT Audit Office for the audit of financial statements and the limited assurance engagement on the Statement of Performance. No other services were provided by the ACT Audit Office.
- f) The decrease (\$0.8 million) is mainly due to one-off marketing expenditure in 2019-20 relating to the promotion of the new bus network and COVID-19 communications including signage at bus stops and interchanges.
- g) In the 2019-20 financial statements, TCO recorded payments made for the operation and maintenance of light rail as 'Public Private Partnerships – Monthly Service Payments'. However, in this year's financial statements TCO has recorded this expense as 'Service Concession Arrangement – Service Payments' due to the adoption of AASB 1059. Comparative information has been restated.

For more information in relation to service concession arrangements refer to Note 16 'Service Concession Arrangement'.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 9 DEPRECIATION AND AMORTISATION

Depreciation is applied to physical assets such as Buildings, Leasehold Improvements, Buses, Plant and Equipment and Infrastructure assets. Land and the heritage asset have unlimited useful lives and are therefore not depreciated. Amortisation is applied to internally generated intangible assets.

All depreciation is calculated after first deducting any residual values which remain for each asset.

Depreciation and amortisation for non-current assets is determined as follows:

| Class of Asset | Depreciation/ Amortisation | Useful Life (Years) |
|----------------------------------|----------------------------|------------------------|
| Buildings | Straight Line | 8-49 |
| Leasehold Improvements | Straight Line | 10 |
| Buses | Straight Line | 6-20 |
| Plant and Equipment | Straight Line | 1-29 |
| Infrastructure Assets | Straight Line | 49 |
| Internally Generated Intangibles | Straight Line | 1-5 |

The useful lives of all major assets held by TCO are reassessed on an annual basis.

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Buses ^a | 9,841 | 8,623 |
| Plant and Equipment ^b | 3,508 | 3,771 |
| Right-of-Use Asset Plant and Equipment ^{b, c} | 1,376 | 305 |
| Service Concession Arrangement - Plant and Equipment ^b | 6,109 | 5,867 |
| Buildings ^b | 1,275 | 1,299 |
| Service Concession Arrangement - Buildings ^b | 1,721 | 1,656 |
| Leasehold Improvements | 27 | 2 |
| Service Concession Arrangement - Infrastructure Assets ^b | 9,744 | 9,376 |
| Intangibles ^d | 48 | 1,128 |
| Total Depreciation and Amortisation | 33,649 | 32,027 |

- a) The increase (\$1.2 million) is mainly due to the revaluation of buses undertaken in June 2020 which increased the fair value of buses, and therefore the associated depreciation expense in 2020-21.
- b) In the 2019-20 financial statements, TCO recorded depreciation expense from its Public Private Partnership arrangement in the 'Right-of-Use' line items. However, in this year's financial statements TCO has recorded these depreciation expenses against the 'Service Concession Arrangement' line items due to the adoption of AASB 1059. Comparative information has been restated.

For more information in relation to service concession arrangements refer to Note 16 'Service Concession Arrangement'.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 9 DEPRECIATION AND AMORTISATION – CONTINUED

- c) The increase (\$1.1 million) is mainly due to depreciation of new motor vehicles leased during the year (\$3.4 million).
- d) The decrease (\$1.1 million) is mainly due to intangible assets being fully depreciated in early 2020-21.

NOTE 10 BORROWING COSTS

Service Concession Arrangement - Finance Costs relates to interest for the light rail service concession arrangement assets.

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Interest Expense on Borrowings | 44 | 172 |
| Service Concession Arrangement - Finance Costs ^a | 18,724 | 18,534 |
| Interest Expense on Leases | 103 | 18 |
| Total Borrowing Costs | 18,871 | 18,724 |

- a) In the 2019-20 financial statements, TCO recorded interest expense for light rail assets as 'Public Private Partnerships Interest for Light Rail'. However, in this year's financial statements TCO has recorded this expense as 'Service Concession Arrangement – Finance Costs' due to the adoption of AASB 1059. Comparative information has been restated.

For more information in relation to service concession arrangements refer to Note 16 'Service Concession Arrangement'.

NOTE 11 EXPENSING OF CAPITAL WORKS IN PROGRESS

Expensing of Capital Works in Progress relates to the expensing of costs from capital projects that did not meet the asset recognition criteria under the Australian Accounting Standards.

| | | |
|--|---------------|--------------|
| Expensing of Capital Works in Progress | 11,766 | 2,404 |
| Total Expensing Capital Works in Progress^a | 11,766 | 2,404 |

- a) The increase (\$9.4 million) is due to one off expensing of costs transferred from Major Projects Canberra relating to finalisation of light rail stage 1 construction, as TCO was unable to capitalise these costs under Australian Accounting Standards.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 12 WAIVERS, IMPAIRMENT LOSSES AND WRITE-OFFS

Under Section 131 of the *Financial Management Act 1996* (FMA) the Treasurer may, in writing, waive the right to payment of an amount payable to the Territory. TCO did not request the Treasurer's approval to waive any debts in 2020-21 (Nil in 2019-20).

Waivers, impairment losses and write-offs are included in other expenses.

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Impairment Losses | | |
| Expected Credit Loss Expense | 20 | 47 |
| Receivables Recovered During the Reporting Period | (44) | - |
| Impairment Loss from Receivables | <u>(24)</u> | <u>47</u> |
| Inventory | 185 | - |
| Impairment Loss from Inventory | <u>185</u> | <u>-</u> |
| Total Impairment Losses | <u>161</u> | <u>47</u> |
| Write-Offs | | |
| Irrecoverable Debts | - | 39 |
| Total Write-Offs | <u>-</u> | <u>39</u> |
| Total Waivers, Impairment Losses and Write-Offs | <u>161</u> | <u>86</u> |

ASSET NOTES

Assets – Current and Non-Current

Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets which do not fall within the current classification are classified as non-current.

NOTE 13 CASH AND CASH EQUIVALENTS

TCO holds two bank accounts with the Westpac Banking Corporation as part of the whole of government banking arrangements. As part of these arrangements, TCO does not receive interest on these accounts.

| | | |
|--|---------------|---------------|
| Cash at Bank | 15,624 | 15,671 |
| Cash on Hand | 235 | 286 |
| Total Cash and Cash Equivalents | <u>15,859</u> | <u>15,957</u> |

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT

Acquisition and Recognition

Property, Plant and Equipment is initially recorded at cost. However, TCO initially recognises service concession assets at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement.

Where Property, Plant and Equipment is acquired at no cost or minimal cost, cost is its fair value as at the date of acquisition. However, Property, Plant and Equipment acquired at no cost or minimal cost as part of a restructuring of administrative arrangements is measured at the transferor's book value.

The capitalisation threshold for Property, Plant and Equipment is \$5,000.

Measurement After Initial Recognition

Property, Plant and Equipment is measured at fair value. The fair value of service concession assets measured using the revaluation model is determined based on current replacement cost.

All assets are revalued every three years. An independent qualified valuer performed a valuation of Service Concession Assets, Land and Buildings and Buses in June 2020, and Plant and Equipment and Heritage assets in June 2021. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then the assets will be revalued regardless of when the last valuation took place. Any accumulated depreciation at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Significant Judgements and Estimates

Impairment of Non-Current Assets: TCO has made a significant judgement regarding its impairment of its non-current assets by undertaking a process of reviewing any likely impairment factors by completing an impairment checklist. Where an impairment factor is identified the value of the impairment is recognised against the available carrying amount for the relevant asset class in the Asset Revaluation Surplus. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement. Any impairment loss on a non-revalued asset is expensed in the Operating Statement.

Estimation of Useful Lives of Property, Plant and Equipment: TCO has made a significant estimate in determining the useful lives of its Property, Plant and Equipment. The estimation of useful lives of Property, Plant and Equipment has been based on the historical experience of similar assets and in some cases has been based on advice provided by the external valuers AON Risk Services Australia Limited. The useful lives are re-assessed on an annual basis and any adjustments are made when considered necessary.

Accounting for Components of Buses and Light Rail Vehicles: TCO has made a significant judgement regarding the recognition and depreciation of each bus and light rail vehicle, including its significant components. TCO has assessed that the useful lives of significant components of each bus and light rail vehicle, such as the engine and transmission, are the same as the main component, the chassis. Therefore, TCO accounts for each bus and light rail vehicle, including all significant components, as one asset and depreciates it over the assessed useful life.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

Property, plant and equipment includes the following classes of assets:

- **Land** includes leasehold land at Tuggeranong, Woden, Belconnen and Mitchell depots.
- **Buildings** include depots and land improvements. Land improvements includes parking lots and retaining walls.
- **Buses** represents TCO fleet vehicles used in the service of the bus network.
- **Plant and Equipment** includes furniture and fittings, workshop plant and equipment, office and MyWay smartcard ticketing equipment, light rail vehicles (rolling stock), a street sweeper, motor vehicles and lift and maintenance related equipment.
- **Infrastructure Assets** includes tracks, overhead wiring and poles, signalling and traffic control systems, electricity substations and light rail stops.
- **Other Assets** includes a heritage bus owned by TCO and fit-out in a leased building.

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Land | | |
| Land at Fair Value | 45,663 | 45,663 |
| Total Land | 45,663 | 45,663 |
| Buildings | | |
| <i>Owned</i> | | |
| Buildings at Fair Value | 17,317 | 15,454 |
| Less: Accumulated Depreciation | (1,275) | - |
| Total Owned Buildings | 16,042 | 15,454 |
| <i>Service Concession Arrangement - Buildings</i> | | |
| Service Concession Arrangement - Buildings at Fair Value ^a | 84,040 | 84,040 |
| Less: Accumulated Depreciation | (1,721) | - |
| Total Service Concession Arrangement - Buildings | 82,319 | 84,040 |
| Total Buildings | 98,361 | 99,494 |
| Buses | | |
| Buses at Fair Value | 130,026 | 126,596 |
| Less: Accumulated Depreciation | (10,009) | (186) |
| Total Buses | 120,017 | 126,410 |

- a) In the 2019-20 financial statements, TCO recorded assets from its Public Private Partnership arrangement in the 'Right-of-Use' line items. However, in this year's financial statements TCO has recorded this asset against the 'Service Concession Arrangement' line items due to the adoption of AASB 1059. Comparative information has been restated.

For more information in relation to service concession arrangements refer to Note 16 'Service Concession Arrangement'.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Plant and Equipment | | |
| <i>Owned Plant and Equipment</i> | | |
| Plant and Equipment at Fair Value ^a | 15,523 | 22,983 |
| Less: Accumulated Depreciation | (126) | (5,686) |
| <i>Total Owned Plant and Equipment</i> | 15,397 | 17,297 |
| <i>Right-of-Use Plant and Equipment</i> | | |
| Right-of-Use Plant and Equipment at Fair Value ^b | 5,246 | 1,895 |
| Less: Accumulated Depreciation | (1,579) | (288) |
| <i>Total Right-of-Use Plant and Equipment</i> | 3,667 | 1,607 |
| <i>Service Concession Arrangement - Plant and Equipment</i> | | |
| Service Concession Arrangement - Plant and Equipment at Fair Value ^c | 176,376 | 175,735 |
| Less: Accumulated Depreciation | (6,109) | - |
| <i>Total Service Concession Arrangement - Plant and Equipment</i> | 170,267 | 175,735 |
| Total Plant and Equipment | 189,331 | 194,639 |
| <i>Service Concession Arrangement - Infrastructure Assets</i> | | |
| Service Concession Arrangement - Infrastructure Assets at Fair Value ^c | 475,817 | 475,817 |
| Less: Accumulated Depreciation | (9,744) | - |
| <i>Total Service Concession Arrangement - Infrastructure Assets</i> | 466,073 | 475,817 |
| Other Assets | | |
| Heritage Asset at Fair Value | 20 | 20 |
| Leasehold Improvements at Fair Value | 273 | 409 |
| Less: Accumulated Depreciation | (35) | (7) |
| Total Other Assets | 258 | 422 |
| Total Property, Plant and Equipment | 919,703 | 942,445 |

- a) The decrease (\$7.5 million) is mainly due the impact of 30 June 2021 assets revaluation. It is partially offset by the reduction of the accumulated depreciation.
- b) The increase (\$3.4 million) is mainly due to additional motor vehicles leased.
- c) In the 2019-20 financial statements, TCO recorded assets from its Public Private Partnership arrangement in the 'Right-of-Use' line items. However, in this year's financial statements TCO has recorded these assets against the 'Service Concession Arrangement' line items due to the adoption of AASB 1059. Comparative information has been restated.

For more information in relation to service concession arrangements refer to Note 16 'Service Concession Arrangement'.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Reconciliation of Property, Plant and Equipment

| 2021 | Land | Buildings | Buses | Plant and Equipment | Infrastructure | Other Assets | Total |
|---|---------------|------------------|----------------|----------------------------|-----------------------|---------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Carrying Amount at the Beginning of the Reporting Period | 45,663 | 99,494 | 126,410 | 194,639 | 475,817 | 422 | 942,445 |
| Additions | - | 1,213 | 3,453 | 4,853 | - | - | 9,519 |
| Revaluation Increment | - | - | - | 1,710 | - | - | 1,710 |
| Depreciation | - | (2,996) | (9,841) | (10,993) | (9,744) | (27) | (33,601) |
| Disposals | - | - | (5) | (843) | - | - | (848) |
| Transfer from TCCS | - | 650 | - | - | - | - | 650 |
| Other Movements | - | - | - | (35) | - | (137) | (172) |
| Carrying Amount at the End of the Reporting Period | 45,663 | 98,361 | 120,017 | 189,331 | 466,073 | 258 | 919,703 |

2020

| | | | | | | | |
|---|---------------|---------------|----------------|----------------|----------------|------------|----------------|
| Carrying Amount at the Beginning of the Reporting Period | 36,135 | 18,329 | 114,607 | 11,374 | - | 32 | 180,477 |
| Initial recognition ROU assets | - | - | - | 195 | - | - | 195 |
| Additions | - | - | - | 1,736 | - | - | 1,736 |
| Transfer from Capital Works in Progress | - | 122 | 16,272 | 601 | - | 392 | 17,387 |
| Revaluation Increment | 8,170 | 1,584 | 4,156 | 8,728 | 1,682 | - | 24,320 |
| Depreciation | - | (2,954) | (8,623) | (9,943) | (9,376) | (2) | (30,898) |
| Disposals | - | - | (2) | (22) | - | - | (24) |
| Transfer from TCCS | 1,358 | 82,413 | - | 181,620 | 466,906 | - | 732,297 |
| Transfer from Major Projects Canberra | - | - | - | 350 | 16,605 | - | 16,955 |
| Carrying Amount at the End of the Reporting Period | 45,663 | 99,494 | 126,410 | 194,639 | 475,817 | 422 | 942,445 |

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Hierarchy

The Fair Value Hierarchy below reflects the significance of the inputs used in determining fair value. The Fair Value Hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that TCO can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly; and
- Level 3 – inputs that are unobservable for particular assets or liabilities.

Details of TCO's Property, Plant and Equipment at fair value and information about the Fair Value Hierarchy are as follows:

Classification According to Fair Value Hierarchy 2021

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|----------------|----------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Property, Plant and Equipment at Fair Value | | | | |
| Land | - | 45,663 | - | 45,663 |
| Buildings | - | - | 98,361 | 98,361 |
| Buses | - | 396 | 119,621 | 120,017 |
| Plant and Equipment | - | 3,808 | 185,523 | 189,331 |
| Infrastructure Assets | - | - | 466,073 | 466,073 |
| Other Assets | - | 20 | 238 | 258 |
| | - | 49,887 | 869,816 | 919,703 |

Classification According to Fair Value Hierarchy 2020

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|----------------|----------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Property, Plant and Equipment at Fair Value | | | | |
| Land | - | 45,663 | - | 45,663 |
| Buildings | - | - | 99,494 | 99,494 |
| Buses | - | 803 | 125,607 | 126,410 |
| Plant and Equipment | - | 1,705 | 192,934 | 194,639 |
| Infrastructure Assets | - | - | 475,817 | 475,817 |
| Other Assets | - | 20 | 402 | 422 |
| | - | 48,191 | 894,254 | 942,445 |

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Valuation Techniques, Inputs and Processes

Level 3 Valuation Techniques and Significant Unobservable Inputs

Buildings

Valuation Technique: buildings were considered specialised and measured using the cost approach.

Significant Unobservable Inputs: in determining the value of buildings regard was given to the age and condition of the assets, their estimated replacement cost and current use.

Combined Level 2 and Level 3 Techniques and Inputs

Land

Valuation Technique: the valuation technique used to value land is the market approach that reflects transaction prices for similar properties (comparable in location and size).

Observable and Unobservable Inputs: prices and other relevant information generated by market transactions involving comparable land were considered. Regard was taken of the Crown Lease terms and tenure, the Tuggeranong Town Centre Master Plan and the Belconnen Town Centre Master Plan, where applicable, as well as current zoning. The market approach was used in determining the value of the Woden Depot site.

Buses

Valuation Technique: valuation for buses uses both the market and cost techniques, depending on the age and type of bus.

Observable and Unobservable Inputs: depending on the existence or absence of secondary market activity for compressed natural gas (CNG) buses or diesel buses less than or greater than nine years old, either cost or market factors, such as market transactions of comparable vehicles and replacement cost, are considered in valuing the fleet.

Plant and Equipment

Valuation Technique: valuation for plant and equipment is predominantly measured using the market valuation approach where a secondary sales market is shown to exist. Specialised plant and equipment such as light rail vehicles, fuel installations, closed-circuit television and spray booths are measured at fair value using the depreciated replacement cost.

Observable and Unobservable Inputs: in determining the value of plant and equipment regard was given to the existence of a secondary sales market involving assets comparable in age and condition. Where there is an absence of a secondary sales market, consideration is given to the age and condition of the assets, their estimated replacement cost and current use.

Infrastructure Assets

Valuation Technique: Infrastructure Assets were considered specialised assets by the Valuer and measured using cost approach.

Significant Unobservable Input: estimating the cost for a market participant to construct assets of comparable utility adjusted for obsolescence.

There has been no change to the above valuation techniques during the reporting period.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 14 PROPERTY, PLANT AND EQUIPMENT – CONTINUED

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

| | Land | Buildings | Buses | Plant and Equipment | Infrastructure | Other | Total |
|--|----------|---------------|----------------|---------------------|----------------|------------|----------------|
| 2021 | \$'000 | \$'000 | \$'000 | \$'000 | Assets | Assets | \$'000 |
| Fair Value at the Beginning of the Reporting Period | | | | | | | |
| Additions | - | 99,494 | 125,607 | 192,934 | 475,817 | 402 | 894,254 |
| Revaluation Increment | - | 1,213 | 3,453 | 1,416 | - | - | 6,082 |
| Depreciation | - | - | - | 1,710 | - | - | 1,710 |
| Disposals | - | (2,996) | (9,434) | (9,694) | (9,744) | (27) | (31,895) |
| Transfer from TCCS | - | - | (5) | (843) | - | - | (848) |
| Other Movements | - | 650 | - | - | - | - | 650 |
| | - | - | - | - | - | (137) | (137) |
| Fair Value at the End of the Reporting Period | - | 98,361 | 119,621 | 185,523 | 466,073 | 238 | 869,816 |
| 2020 | | | | | | | |
| Fair Value at the Beginning of the Reporting Period | | | | | | | |
| Transfer from Capital Works in Progress | 10,635 | 18,329 | 113,746 | 11,235 | - | 12 | 153,957 |
| Revaluation Increment | - | 122 | 16,272 | 601 | - | 392 | 17,387 |
| Depreciation | - | 1,584 | 3,903 | 8,728 | 1,682 | - | 15,897 |
| Transfer from TCCS | - | (2,954) | (8,312) | (9,597) | (9,376) | (2) | (30,241) |
| Disposals | - | 82,413 | - | 181,620 | 466,906 | - | 730,939 |
| Transfer from Level 2 | (10,635) | - | (2) | (3) | - | - | (5) |
| Transfers from Major Projects Canberra | - | - | - | - | - | - | (10,635) |
| | - | - | - | 350 | 16,605 | - | 16,955 |
| Fair Value at the End of the Reporting Period | - | 99,494 | 125,607 | 192,934 | 475,817 | 402 | 894,254 |

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

LIABILITY NOTES

Liabilities – Current and Non-Current

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or TCO does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities which do not fall within the current classification are classified as non-current.

NOTE 15 PAYABLES

Payables are initially recognised at fair value based on the transaction cost and subsequently at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 14 days after the invoice date or the receipt of goods and services, or within agreed payment terms.

The option premium payable relates to the embedded derivative in the Light Rail Stage 1 Project Agreement.

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Trade Payables | 1,366 | 1,067 |
| Accrued Expenses | 5,309 | 5,257 |
| Total Current Payables | 6,675 | 6,324 |
| Non-Current Payables | | |
| Option Premium Payable - Light Rail Stage 1 ^a | - | 750 |
| Total Non-Current Payables | - | 750 |
| Total Payables | 6,675 | 7,074 |

- a) The decrease is mainly due to the derecognition of option premium payable in accordance with accounting standards following refinancing of the service concession arrangement debt in December 2020.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 15 PAYABLES – CONTINUED

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Classification of ACT Government/Non-ACT Government Payables | | |
| Payables with ACT Government Entities | | |
| Trade Payables | 191 | - |
| Accrued Expenses | 148 | 201 |
| Total Payables with ACT Government Entities | 339 | 201 |
| Payables with Non-ACT Government Entities | | |
| Trade Payables | 1,175 | 1,067 |
| Option Premium Payable - Light Rail Stage 1 | - | 750 |
| Accrued Expenses | 5,161 | 5,056 |
| Total Payables with Non-ACT Government Entities | 6,336 | 6,873 |
| Total Payables | 6,675 | 7,074 |

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 16 SERVICE CONCESSION ARRANGEMENT

Light Rail Service Concession Arrangement

Background

On 25 May 2016 the Territory (grantor) entered into a 20-year Public Private Partnership (PPP) with Canberra Metro (CM) (operator) to construct, deliver, maintain and operate light rail infrastructure assets, light rail plant and equipment, and light rail building assets over the term of the contract. These assets have been constructed on Territory land. The assets are made up of a 12km light rail track from Canberra City to Gungahlin, comprising 13 stops, 14 Light Rail Vehicles and one maintenance depot. Construction was completed and the light rail services commenced for public passenger operations on 20 April 2019. There were no existing assets of the grantor or operator being utilised in this service concession arrangement.

Under the terms of the arrangement the Territory retains the significant residual interest in the assets at the end of the 20-year term.

CM is responsible for the management, recruitment, training and determining the adequate number of staff to run light rail operations. These staff ensure the timely delivery of public transport services to ACT residents and are all employed by CM. CM is solely responsible for all aspects of asset management activities for light rail vehicles, tracks and electrical equipment. It is also required to manage, at its own discretion, all aspects of an operations control centre (OCC) on a continuous 24 hours per day, seven days a week basis.

The OCC centrally manages the following functions:

- Operations;
- Power supply management;
- Communications, both internal and external;
- Emergency Help Point response;
- Security and access control;
- Emergency response and management; and
- System alarm monitoring and fault response.

Termination clauses

The Project Agreement (the Agreement) can be terminated under a number of scenarios. The three types of termination scenarios set out in the Agreement are summarised below:

Termination for convenience – the Territory may terminate the Agreement at any time by giving no less than 60 business days' notice in writing to CM. The Territory will be required to pay a termination for convenience payment. This amount is calculated as CM's outstanding project debt, plus the fair value of CM's equity, plus any other reasonable costs incurred by CM as a result of the termination.

Force Majeure Termination Event - where the Agreement is terminated for force majeure (e.g. earthquake). The Territory will pay CM the general termination event payment. This amount is calculated as CM's outstanding project debt plus any other reasonable costs incurred by CM as a result of the termination, less any insurance proceeds.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 16 SERVICE CONCESSION ARRANGEMENT – CONTINUED

Termination for CM's default - The Territory will pay CM the fair market value of the Project determined by an independent expert or as a result of a re-tender of the contract to the market.

A default by CM under the Agreement will entitle the Territory to various remedies. The Territory, in most circumstances, is required to give CM an opportunity to remedy the default. If the default is not remedied within the required period, then it will escalate to a Major Default. The Agreement also states that a number of events are automatically classified as a Major Default (e.g. when there are persistent breaches or frequent service failures). In respect of Major Defaults, CM will be given the opportunity to develop a plan to remedy the default or a prevention plan to prevent the default from recurring. Where CM fails to remedy the Major Default within the required period or fails to comply with an agreed remedy or prevention plan, the Territory has the right to terminate the Agreement. Certain events of default are so severe that they are not subject to a remedy regime. They give rise to a Territory termination right immediately upon their occurrence (e.g. insolvency of CM). These events are called Default Termination Events.

Service Concession Information in Other Financial Statement Notes

There are a number of notes within the financial statements which contain information about the light rail service concession arrangement. Further information can be found in the relevant notes of the financial statements.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 17 INTEREST-BEARING LIABILITIES

Borrowings are financial liabilities. They are measured at amortised cost with any adjustments to the carrying amount being recorded in the Operating Statement. The associated interest expense is recognised in the reporting period in which it occurs.

TCO has Commonwealth Government borrowings that were obtained at the time of self-government and are being repaid through principal and interest payments to the Territory Banking Account, which then pays the Commonwealth Government. The fixed interest rate for these borrowings is 12.57%.

TCO also has a loan from the Environment, Planning and Sustainable Development Directorate (EPSDD) for the installation of solar panels at the bus depots. The loan is an interest free loan with the principal expected to be repaid by 2034.

Service Concession Arrangement Financial Liability represents amounts owed to Canberra Metro for the construction of light rail service concession assets. A service concession liability is initially recognised as a financial liability where the grantor has a contractual obligation to make specified or determinable future payments to the operator for the construction, development, acquisition or upgrade of a service concession asset. The service concession financial liability is initially measured at the same amount as the asset, adjusted for any other consideration exchanged between the grantor and the operator. It is subsequently measured at amortised cost using the effective interest rate method.

TCO's leases relate to motor vehicles. TCO recognises a Right-of-Use asset and associated lease liability for the lease term at the lease commencement date. The lease term includes extension periods where TCO is reasonably certain that the option will be exercised.

The Right-of-Use asset is measured using the revaluation model where cost on initial recognition comprises of the lease liability, initial direct costs, and estimated cost of removal and restoration less any lease incentives received.

The Right-of-Use asset is depreciated over the lease term on a straight-line basis and assessed for impairment annually.

The Lease Liabilities are initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease or the incremental borrowing rate when rates cannot be readily determined. Lease Liabilities are subsequently measured at amortised cost using the effective interest rate method.

EXCEPTIONS TO LEASE ACCOUNTING

TCO has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets (below \$10,000). TCO has also elected not to separate non-lease components, except for those leases where the information is readily available.

Where the non-lease components have been separated, they are recognised as an expense as incurred in the Operating Statement.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 17 INTEREST-BEARING LIABILITIES – CONTINUED

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Current Interest-Bearing Liabilities | | |
| Service Concession Arrangement - Financial Liability ^a | 10,446 | 10,674 |
| Lease Liabilities ^c | 1,519 | 594 |
| ACT Government Borrowings ^d | 431 | 534 |
| Total Current Interest-Bearing Liabilities | 12,396 | 11,802 |
| Non-Current Interest-Bearing Liabilities | | |
| Service Concession Arrangement - Financial Liability ^{a, b} | 294,238 | 302,894 |
| Lease Liabilities ^c | 2,196 | 1,021 |
| ACT Government Borrowings ^d | 821 | 1,742 |
| Total Non-Current Interest-Bearing Liabilities | 297,255 | 305,657 |
| Total Interest-Bearing Liabilities | 309,651 | 317,459 |

- a) In the 2019-20 financial statements, TCO recorded liabilities from its Public Private Partnership arrangement as a Lease Liability. However, in this year's financial statements TCO has recorded this liability as Service Concession Arrangement - Financial Liability due to the adoption of AASB 1059. Comparative information has been restated.

For more information in relation to service concession arrangements refer to Note 16 'Service Concession Arrangement'.

- b) The decrease (\$8.7 million) is mainly due to the payments made for the service concession arrangement liability during the year.
- c) The increase (\$2.1 million) is mainly due to new leased motor vehicles during the year.
- d) The reduction (\$1.0 million) is mainly due to the full repayment of the Commonwealth Loan to the Territory Banking Account during the year.

Leases

Lease commitments are payable as follows:

| | | |
|--|--------------|--------------|
| Within one year | 1,602 | 633 |
| Later than one year but not later than five years | 2,258 | 1,047 |
| Minimum Lease Payments | 3,860 | 1,680 |
| Less: Future Finance Lease Charges | (145) | (65) |
| Amount Recognised as a Liability | 3,715 | 1,615 |
| Total Present Value of Minimum Lease Payments | 3,715 | 1,615 |

The present value of the minimum lease payments are as follows:

| | | |
|--|--------------|--------------|
| Within one year | 1,519 | 594 |
| Later than one year but not later than five years | 2,196 | 1,021 |
| Total Present Value of Minimum Lease Payments | 3,715 | 1,615 |

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 17 INTEREST-BEARING LIABILITIES – CONTINUED

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Service Concession Arrangement - Financial Liability | | |
| Service Concession Arrangement - Financial Liability commitments are payable as follows: | | |
| Within one year | 28,286 | 28,541 |
| Later than one year but not later than five years | 459,293 | 470,950 |
| Minimum Service Concession Arrangement - Financial Liability Payments | 487,579 | 499,491 |
| Less: Future Finance Lease Charges | (182,895) | (185,923) |
| Amount Recognised as a Liability | 304,684 | 313,568 |
| Total Present Value of Minimum Service Concession Arrangement - Financial Liability Payments | 304,684 | 313,568 |
| The present value of the minimum Service Concession Arrangement | | |
| Within one year | 10,446 | 10,674 |
| Later than one year but not later than five years | 294,238 | 302,894 |
| Total Present Value of Minimum Service Concession Arrangement - Financial Liability Payments | 304,684 | 313,568 |

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 18 EMPLOYEE BENEFITS

Accrued Employee Benefits

Accrued Employee Benefits are measured at the amount that remains unpaid to employees at the end of the reporting period.

Significant Judgements and Estimates relating to Annual and Long Service Leave

Annual and Long Service Leave including applicable on-costs that are not expected to be wholly settled within 12 months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of the future Annual Leave and Long Service Leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual Leave liabilities have been estimated on the assumption that they will be wholly settled within three years. In 2020-21 the rate used to estimate the present value of future Annual Leave payments is 100.2% (100.9% in 2019-20).

In 2020-21, the rate used to estimate the present value of future payments for Long Service Leave is 108.7% (113.6% in 2019-20).

The Long Service Leave liability is estimated with reference to future wages and salary levels, experience of employee departures, probability that leave will be taken in service and the minimum period of qualifying service. For employees with less than the required minimum period of seven years qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for Long Service Leave and applicable on-costs.

The provision for Annual Leave and Long Service Leave includes estimated on-costs. As these on-costs only become payable if the employee takes Annual and Long Service Leave while in-service, the probability that employees will take Annual and Long Service Leave while in service has been taken into account in estimating the liability for on-costs.

The significant judgements and assumptions included in the estimation of Annual and Long Service Leave liabilities include an assessment by an actuary. This assessment is performed every 3 years. However it may be performed more frequently if there is a significant change in the parameters underlying this assessment. The Australian Government Actuary performed this assessment in April 2019 with the next actuarial review to be undertaken by early 2022.

Annual Leave and Long Service Leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional long service leave liabilities are classified as non-current because TCO has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 18 EMPLOYEE BENEFITS – CONTINUED

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Current Employee Benefits | | |
| Long Service Leave | 18,346 | 18,051 |
| Annual Leave ^a | 11,529 | 10,626 |
| Accrued Employee Benefits | 3,862 | 3,312 |
| Total Current Employee Benefits | 33,737 | 31,989 |
| Non-Current Employee Benefits | | |
| Long Service Leave | 1,434 | 1,275 |
| Total Non-Current Employee Benefits | 1,434 | 1,275 |
| Total Employee Benefits | 35,171 | 33,264 |
| Estimate of when Leave is Payable | | |
| Estimated Amount Payable within 12 Months | | |
| Long Service Leave | 1,100 | 1,109 |
| Annual Leave | 4,986 | 4,936 |
| Accrued Employee Benefits | 3,862 | 3,312 |
| Total Employee Benefits Payable within 12 Months | 9,948 | 9,357 |
| Estimated Amount Payable after 12 Months | | |
| Long Service Leave | 18,680 | 18,217 |
| Annual Leave | 6,543 | 5,690 |
| Total Employee Benefits Payable after 12 Months | 25,223 | 23,907 |
| Total Employee Benefits | 35,171 | 33,264 |

At 30 June 2021, TCO employed 1,016 full-time equivalent (FTE) staff (946 FTE in 2020). The increase is largely due to the higher number of staff employed for the new bus network and additional weekend bus services.

- a) The increase (\$0.9 million) is mainly due to higher salary rates under the enterprise agreements and less leave taken due to the COVID-19 pandemic.

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 19 CONTRACT LIABILITIES

A contract liability is recorded when an amount of consideration is received from a customer prior to TCO transferring a good or service to the customer.

Revenue Received in Advance relates to prepaid balances on MyWay cards which will be recognised as revenue when the service is delivered to a customer.

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Revenue Received in Advance ^a | 7,839 | 7,154 |
| Total Current Other Liabilities | 7,839 | 7,154 |

- a) The increase (\$0.7 million) is mainly due to higher prepaid balances on MyWay cards largely due to impact of the COVID-19 pandemic where cash fares were no longer accepted on public transport.

EQUITY NOTES

NOTE 20 EQUITY

Movements In Asset Revaluation Surplus during the Reporting Period

The Asset Revaluation Surplus is used to record the increments and decrements in the value of Property, Plant and Equipment.

| | | |
|---|---------------|---------------|
| Balance at the Beginning of the Reporting Period | 65,678 | 45,785 |
| Increment in Land due to Revaluation | - | 8,170 |
| Increment in Building due to Revaluation | - | 1,584 |
| Increment in Buses due to Revaluation | - | 4,156 |
| Increment in Plant and Equipment due to Revaluation | 1,710 | 8,728 |
| Increment in Infrastructure Assets due to Revaluation | - | 1,682 |
| Deferred Tax Liabilities Adjustment | (513) | (4,427) |
| Total Increase in the Asset Revaluation Surplus | 1,197 | 19,893 |
| Balance at the End of the Reporting Period | 66,875 | 65,678 |

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 20 EQUITY – CONTINUED

The Light Rail operation function was transferred to TCO from TCCS on 1 July 2019 and the total value of the net assets transferred was \$403.8 million. No similar transfers occurred in 2020-21.

| | 2021 \$'000 | 2020 \$'000 |
|--------------------------------------|----------------|----------------|
| Asset | | |
| Cash and Cash Equivalents | - | 6,129 |
| Receivables | - | 98 |
| Inventories | - | 149 |
| Other Assets | - | 794 |
| Property, Plant and Equipment | - | 732,297 |
| Intangible Assets | - | 1,224 |
| Capital Works in Progress | - | 1,407 |
| Total Assets Transferred | - | 742,098 |
| Liabilities | | |
| Payables | - | 13,430 |
| Interest-Bearing Liabilities | - | 323,568 |
| Employee Benefits | - | 1,288 |
| Total Liabilities Transferred | - | 338,286 |
| Total Net Assets Transferred | - | 403,812 |

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

OTHER NOTES

NOTE 21 FINANCIAL INSTRUMENTS

Financial assets are classified as subsequently measured at amortised cost on the basis of both:

- (a) the business model for managing the financial assets being held to collect; and
- (b) the contractual cash flow characteristics of the financial assets.

Credit Risk

Credit risk is the risk that one party to a Financial Instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

At 30 June 2021, TCO holds Cash and Cash Equivalents with Westpac Banking Corporation and as such, TCO considers the credit risk associated with these financial assets to be low.

TCO's credit risk is limited to the amount of the Receivables it holds net of any Allowance for Impairment. TCO manages its credit risk for Receivables by regularly monitoring its Receivables, through active follow up of outstanding Receivables and by issuing monthly statements to overdue accounts where required.

There has been no significant change in credit risk exposure since the last reporting period.

Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

TCO is exposed to interest rate risk associated with its Service Concession Arrangement Financial Liability as it has a floating (variable) interest rate and TCO has not hedged this risk.

Sensitivity Analysis

The table below shows the impact of changes in the interest rate on the annual interest expense by $\pm 1\%$.

| Increase by 1% | Decrease by 1% |
|----------------|----------------|
| \$2,353,000 | \$2,855,000 |

Liquidity Risk

Liquidity risk is the risk that TCO will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

TCO's liabilities relate to the purchases of Supplies and Services, Employee and Superannuation Expenses, and Lease Liabilities, including interest and principal repayments.

The main source of cash to pay these obligations is from service payments from the ACT Government, which are paid through TCCS on a fortnightly basis and fares. TCO manages its liquidity risk through forecasting service payment requirements to enable the payment of anticipated obligations. Therefore, liquidity risk is assessed to be low and management of this risk has not changed since the last reporting period.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 21 FINANCIAL INSTRUMENTS – CONTINUED

Carrying Amounts and Fair Value of Financial Assets and Liabilities

| | Note No. | Carrying Amount 2021 \$'000 | Carrying Amount 2020 \$'000 |
|------------------------------------|---------------------|--|--|
| Financial Assets | | | |
| Cash and Cash Equivalents | 13 | 15,859 | 15,957 |
| Receivables | | 444 | 434 |
| Embedded Derivative - Light Rail | | - | 385 |
| Total Financial Assets | | 16,303 | 16,776 |
| Financial Liabilities | | | |
| Payables | 15 | 1,366 | 1,067 |
| Interest-Bearing Liabilities | 17 | 309,651 | 317,459 |
| Option Premium Payable | 15 | - | 750 |
| Total Financial Liabilities | | 311,017 | 319,276 |

The carrying amount of financial assets and liabilities approximates its fair value.

In the 2019-20 financial statements, TCO recorded liabilities relating to light rail assets against the 'Lease Liabilities' line item. However, in this year's financial statements TCO has recorded this liability as 'Service Concession Arrangement – Financial Liability' due to the adoption of AASB 1059. Comparative information has been restated.

For more information in relation to service concession arrangements refer to Note 16 'Service Concession Arrangement'.

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 21 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out Transport Canberra Operations' maturity analysis for financial assets and liabilities as well as the exposure to interest rates at 30 June 2021. Financial assets and liabilities that are non-interest bearing and will mature in one year or less except for the non-interest bearing borrowings. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

| | Note No. | Weighted Average Interest Rate | Fixed Interest Maturing In: | | | Non-Interest Bearing \$'000 | Total \$'000 |
|---|----------|--------------------------------|-----------------------------|-------------------------------|---------------------|-----------------------------|--------------|
| | | | 1 Year or Less \$'000 | Over 1 Year to 5 Years \$'000 | Over 5 Years \$'000 | | |
| Financial Instruments | | | | | | | |
| Financial Assets | | | | | | | |
| Cash and Cash Equivalents | 13 | | - | - | - | 15,859 | 15,859 |
| Receivables | | | - | - | - | 444 | 444 |
| Total Financial Assets | | | - | - | - | 16,303 | 16,303 |
| Financial Liabilities | | | | | | | |
| Payables | 15 | | - | - | | 1,366 | 1,366 |
| Interest-Bearing Liabilities (Interest Inclusive) | 17 | 6.16% | 29,990 | 115,938 | 346,836 | - | 492,764 |
| Total Financial Liabilities | | | 29,990 | 115,938 | 346,836 | 1,366 | 494,130 |
| Net Financial (Liabilities)/ Assets | | | (29,990) | (115,938) | (346,836) | 14,937 | (477,827) |

Transport Canberra Operations **Notes to and Forming Part of the Financial Statements** **For the Year Ended 30 June 2021**

NOTE 21 FINANCIAL INSTRUMENTS – CONTINUED

The following table sets out Transport Canberra Operations' maturity analysis for financial assets and liabilities as well as the exposure to interest rates at 30 June 2020. Except for Borrowings which has a fixed interest rate, financial assets and liabilities are non-interest bearing and will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

| | Note No. | Weighted Average Interest Rate | Fixed Interest Maturing In: | | | Non-Interest Bearing \$'000 | Total \$'000 |
|---|----------|--------------------------------|-----------------------------|-------------------------------|---------------------|-----------------------------|--------------|
| | | | 1 Year or Less \$'000 | Over 1 Year to 5 Years \$'000 | Over 5 Years \$'000 | | |
| Financial Instruments | | | | | | | |
| Financial Assets | | | | | | | |
| Cash and Cash Equivalents | 13 | | - | - | - | 15,957 | 15,957 |
| Receivables | | | - | - | - | 434 | 434 |
| Embedded Derivative - Light Rail | | | - | - | - | 385 | 385 |
| Total Financial Assets | | | - | - | - | 16,776 | 16,776 |
| Financial Liabilities | | | | | | | |
| Payables | 15 | | - | - | - | 1,067 | 1,067 |
| Interest-Bearing Liabilities (Interest Inclusive) | 17 | 5.78% | 30,058 | 115,630 | 356,762 | 1,325 | 503,775 |
| Option Premium Payable | | | - | - | - | 750 | 750 |
| Total Financial Liabilities | | | 30,058 | 115,630 | 356,762 | 3,142 | 505,592 |
| Net Financial (Liabilities)/ Assets | | | (30,058) | (115,630) | (356,762) | 13,634 | (488,816) |

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 22 COMMITMENTS

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
|--|----------------|----------------|

Capital Commitments

Capital Commitments contracted at reporting date that have not been recognised as liabilities are as follows:

| | | |
|---|---------------|---------------|
| Payable: | | |
| Within one year | 24,173 | 22,110 |
| Later than one year but not later than five years | - | 1,441 |
| Total Capital Commitments | 24,173 | 23,551 |

Other Commitments

Other Commitments contracted at reporting date that have not been recognised as liabilities are as follows:

| | | |
|---|---------------|---------------|
| Payable: | | |
| Within one year | 7,147 | 5,965 |
| Later than one year but not later than five years | 12,912 | 20,732 |
| Later than five years | - | 8,182 |
| Total Other Commitments ^a | 20,059 | 34,879 |

a) The decrease in other commitments mainly relates to Special Needs Transport contracts.

Non-Cancellable Low Value Commitments

Non-cancellable operating commitments are payable as follows:

| | | |
|--|-----------|-----------|
| Within one year | 31 | 24 |
| Later than one year but not later than five years | 49 | 32 |
| Later than five years | 15 | 13 |
| Total Non-Cancellable Low Value Commitments | 95 | 69 |

Service Concession Arrangement Operational Commitments

| | | |
|---|----------------|----------------|
| Within one year | 30,335 | 29,073 |
| Later than one year but not later than five years | 137,897 | 128,724 |
| Later than five years | 541,961 | 574,355 |
| Total Service Concession Arrangement Operational Commitments | 710,193 | 732,152 |

Transport Canberra Operations **Notes to and Forming Part of the Financial Statements** **For the Year Ended 30 June 2021**

NOTE 23 CONTINGENT ASSETS AND LIABILITIES

Contingent Assets

TCO may receive assets from Major Projects Canberra for the following projects:-

- Mitchell Light Rail Stop in 2021-22;
- Transport Interchange (Woden) in 2022-23; and
- Light Rail Stage 2A.

Contingent Liabilities

TCO is subject to various claims at the reporting date related to accidents which are insured through the ACT Insurance Authority with the contingent liability limited to the \$10,000 insurance excess payable on each claim.

| | 2021 | 2020 |
|-------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Legal Claims | 190 | 410 |
| Total Contingent Liabilities | 190 | 410 |

Transport Canberra Operations **Notes to and Forming Part of the Financial Statements** **For the Year Ended 30 June 2021**

NOTE 24 INCOME TAX EQUIVALENTS

TCO falls within the 'National Tax Equivalents Regime' and is required to calculate income tax in accordance with the *Income Tax Assessment Act 1997* and *Income Tax Assessment Act 1936* under the requirements of Australian Accounting Standard AASB 112 Income Taxes.

TCO is exempt from paying federal income tax. However, TCO is required to calculate tax equivalents that would have been payable under the 'National Tax Equivalent Regime'.

| | 2021 \$'000 | 2020 \$'000 |
|--|-----------------|-----------------|
| (a) Components of Income Tax Equivalents Expense/(Income) | | |
| Current Tax Equivalents (Income) | - | - |
| Deferred Tax Equivalents (Income) Relating to the Origination and Reversal of Temporary Differences | (14,208) | (10,228) |
| Tax Effect of Tax Losses not Recognised | - | (40,074) |
| | (14,208) | (50,302) |

(b) Income Tax Equivalents (Income)

The prima facie income tax (income) on pre-tax accounting profit from operations reconciles to the income tax (income) in the financial statements as follows:

| | | |
|---|-----------------|-----------------|
| Loss from Operations | (46,679) | (33,946) |
| Income Tax Equivalents (Income) Calculated at 30% | (14,004) | (10,184) |
| | (14,004) | (10,184) |
| Non-Assessable Permanent Differences | (204) | (44) |
| Tax Effect of Tax Losses not Recognised | - | (40,074) |
| | (14,208) | (50,302) |

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian Tax Law.

(c) Income Tax Recognised Directly in Equity

| | | |
|---|--------------|------------------|
| Deferred Tax Asset from Revaluation of Assets | (513) | (4,427) |
| Deferred Tax Asset on Initial Recognition | - | (133,956) |
| | (513) | (138,383) |

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 24 INCOME TAX EQUIVALENTS – CONTINUED

| | 2021 \$'000 | 2020 \$'000 |
|---|------------------------|------------------------|
| (d) Recognised Deferred Tax Balances | | |
| The following deferred tax balances have been recognised in the accounts: | | |
| Liabilities on Temporary Differences | (235,746) | (239,613) |
| Assets Relating to: | | |
| Inventories | 142 | 86 |
| Trade and Other Receivables | 13 | 37 |
| Intangibles | 154 | 253 |
| Accrued Expenditure | 410 | 373 |
| Employee Entitlements | 9,392 | 8,986 |
| Lease Liabilities | 92,520 | 94,555 |
| Tax Losses Carried Forward | 58,730 | 47,243 |
| Net Deferred Tax (Liabilities) | <u>(74,385)</u> | <u>(88,080)</u> |

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 25 CASH FLOW RECONCILIATION

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|-----------------|
| (a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Statement of Cash Flows to the Equivalent Items in the Balance Sheet | | |
| Cash and Cash Equivalents Recorded in the Balance Sheet | 15,859 | 15,957 |
| Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows | 15,859 | 15,957 |
| (b) Reconciliation of Operating (Deficit) to Net Cash Inflows/(Outflows) from Operating Activities | | |
| Operating (Deficit) | (32,471) | (23,718) |
| Add/(Less) Non-Cash Items | | |
| Depreciation and Amortisation | 33,649 | 32,027 |
| Income Tax Equivalents (Income) | (14,208) | (10,228) |
| Transfers (received) as a result of Administrative Arrangements | - | (13,677) |
| Expensing of Capital Works in Progress | 11,766 | 2,404 |
| Carbon Neutral Loan | - | 12 |
| Net Assets transferred (from) Other ACT Government Entities | (683) | (148) |
| Add/(Less) Items Classified as Investing or Financing | | |
| Retention Moneys for Capital Works | (120) | - |
| Net Loss/(Gain) on Disposal of Assets | 353 | (97) |
| Cash Before Changes in Operating Assets and Liabilities | (1,714) | (13,425) |
| Changes in Operating Assets and Liabilities | | |
| Decrease in Receivables | 1 | 766 |
| (Increase) in Inventories | (348) | (215) |
| Decrease/(Increase) in Other Assets | 327 | (671) |
| (Decrease)/Increase in Payables | (399) | 5,445 |
| Increase in Employee Benefits | 1,906 | 5,734 |
| Increase in Contract Liabilities | 685 | 716 |
| Net Changes in Operating Assets and Liabilities | 2,172 | 11,775 |
| Net Cash Inflows/(Outflows) from Operating Activities | 458 | (1,650) |

Transport Canberra Operations
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2021

NOTE 25 CASH FLOW RECONCILIATION – CONTINUED

(c) Reconciliation of Liabilities Arising from Financing Activities

| | 2020 \$'000 | Cash Flows \$'000 | Non-cash changes | | 2021 \$'000 |
|--|----------------|-------------------------|------------------|-------------|----------------|
| | | | \$'000 | \$'000 | |
| | | | New Leases | Other | |
| Borrowings | 2,276 | (1,024) | - | - | 1,252 |
| Lease Liabilities | 1,615 | (1,291) | 3,402 | (11) | 3,715 |
| Service Concession Financial Liability | 313,568 | (9,525) | 641 | - | 304,684 |
| Debt | 317,459 | (11,840) | 4,043 | (11) | 309,651 |

Transport Canberra Operations

Notes to and Forming Part of the Financial Statements

For the Year Ended 30 June 2021

NOTE 26 RELATED PARTY DISCLOSURES

A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP or/and their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of TCO, directly or indirectly.

KMP are the Portfolio Minister, Director-General of TCCS and certain members of the Senior Management Team.

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of TCO.

This note does not include typical citizen transactions between the KMP and TCO that occur on terms and conditions no different to those applying to the general public.

Controlling Entity

TCO is an ACT Government controlled entity.

Key Management Personnel

(i) Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the Note on related party disclosures included in the ACT Executive's Financial Statements for the year ended 30 June 2021.

Compensation of the Head of Service is included in the Note on related party disclosures included in CMTEDD's Financial Statements for the year ended 30 June 2021.

The KMP of TCO are employees of TCCS and are paid compensation by TCCS. Further details of compensation for these KMP are contained in the TCCS Financial Statements for the year ended 30 June 2021. There were no other transactions between TCO and KMP or parties related to KMP.

Transactions with other ACT Government Controlled Entities

All transactions with ACT Government controlled entities are disclosed in the relevant Notes to the Financial Statements.

CAPITAL WORKS

| Project | Original Practical Completion Date | Revised Practical Completion Date | Original Value (\$'000) | Revised Value (\$'000) | Prior Yr Expenditure (\$'000) | 2020-21 Expenditure (\$'000) | Total Expenditure to Date (\$'000) |
|--|------------------------------------|-----------------------------------|-------------------------|------------------------|-------------------------------|------------------------------|------------------------------------|
| NEW WORKS - MAJOR NEW WORKS | | | | | | | |
| Major New Works | | | | | | | |
| Roads ACT | | | | | | | |
| Athllon Drive Duplication | Jun-21 | Dec-22 | 5,220 | 5,220 | - | 436 | 436 |
| Bridge Renewal Programme (ACT contribution) | Jun-21 | Nov-21 | 4,618 | 4,618 | - | 421 | 421 |
| Ensuring uninterrupted power supply to traffic lights (ACT & Commonwealth contribution) | Jun-21 | Aug-21 | 900 | 900 | - | 69 | 69 |
| Heavy Vehicle Safety and Productivity (ACT contribution) | Jun-21 | Oct-21 | 1,883 | 1,883 | - | 188 | 188 |
| Intersection Upgrades - Belconnen Way intersection with Springvale Drive (ACT contribution) | Jun-21 | Jun-22 | 750 | 750 | - | - | - |
| Intersection Upgrades - Launceston Street intersection with Irving Street (ACT contribution) | Jun-22 | Jun-22 | 750 | 750 | - | 523 | 523 |
| Intersection Upgrades - Launceston Street intersection with Irving Street (Commonwealth contribution) | Jun-22 | Jun-22 | 750 | 750 | - | 34 | 34 |
| Intersection Upgrades - Kuringa Drive intersection with Owen Dixon (ACT contribution) | Jun-21 | Jun-22 | 3,750 | 3,750 | - | 1,209 | 1,209 |
| Intersection Upgrades - Southern Cross Drive intersection with Starke Street (ACT contribution) | Jun-21 | Jun-22 | 1,750 | 1,750 | - | - | - |
| Intersection Upgrades - Southern Cross Drive intersection with Starke Street (Commonwealth contribution) | Jun-21 | Aug-21 | 1,750 | 1,750 | - | 972 | 972 |

| Project | Original Practical Completion Date | Revised Practical Completion Date | Original Value (\$'000) | Revised Value (\$'000) | Prior Yr Expenditure (\$'000) | 2020-21 Expenditure (\$'000) | Total Expenditure to Date (\$'000) |
|---|------------------------------------|-----------------------------------|-------------------------|------------------------|-------------------------------|------------------------------|------------------------------------|
| John Gorton Drive and Molonglo River Bridge Crossing (ACT contribution) | Jun-21 | Dec-25 | 88,700 | 88,700 | - | 425 | 425 |
| John Gorton Drive and Molonglo River Bridge Crossing (Commonwealth contribution) | Jun-21 | Dec-25 | 87,500 | 87,500 | - | 227 | 227 |
| Northbourne Avenue Pavement (ACT contribution) | Jun-22 | Jun-22 | 2,000 | 5,000 | - | 2,779 | 2,779 |
| Northbourne Avenue Pavement (Commonwealth contribution) | Jun-22 | Jun-22 | 5,000 | 5,000 | - | 3,350 | 3,350 |
| Road safety improvements (ACT & Commonwealth contribution) | Jun-21 | Jun-22 | 12,000 | 12,000 | - | 4,105 | 4,105 |
| Road safety works (ACT & Commonwealth contribution) | Jun-21 | Jun-22 | 4,200 | 4,200 | - | 2,336 | 2,336 |
| Schools for our growing city - Kenny High School | Mar-23 | Apr-23 | 11,000 | 11,000 | - | 253 | 253 |
| Upgrading an intersection on Owen Dixon Drive | Jun-22 | Jun-22 | 10,000 | 10,000 | - | 548 | 548 |
| ACT NoWaste | | | | | | | |
| Upgrading the ACT Materials Recovery Facility (ACT and Commonwealth contribution) | Jun-24 | Jun-24 | 23,200 | 23,200 | - | 678 | 678 |
| Transport Canberra Operations | | | | | | | |
| Planning and design for a zero emissions bus network | Jun-22 | Jun-22 | 800 | 800 | - | 20 | 20 |
| Total Major New Works (excluding the capital upgrade program) | | | 266,521 | 269,521 | - | 18,573 | 18,573 |
| Better Infrastructure Fund 2020-21 | | | | | | | |
| Roads ACT | | | | | | | |
| Accessible Bus Stops | Jun-23 | Jun-23 | 4,695 | 4,695 | - | 1,524 | 1,524 |
| Belconnen bikeway stage 2 detail design | Jun-21 | Jun-22 | 250 | 250 | - | 176 | 176 |
| Building a better city — Active Travel — Footpath and cycleway upgrades | Jun-21 | Jul-21 | 750 | 750 | - | 590 | 590 |
| Dam safety code | Jun-21 | Jun-22 | 700 | 700 | - | 604 | 604 |

| Project | Original Practical Completion Date | Revised Practical Completion Date | Original Value (\$'000) | Revised Value (\$'000) | Prior Yr Expenditure (\$'000) | 2020-21 Expenditure (\$'000) | Total Expenditure to Date (\$'000) |
|--|------------------------------------|-----------------------------------|-------------------------|------------------------|-------------------------------|------------------------------|------------------------------------|
| Lake Ginninderra shared path feasibility study | Jun-21 | Jun-22 | 250 | 250 | - | 205 | 205 |
| Reducing crashes (ANRAM) on arterial road | Jun-21 | Jun-22 | 600 | 600 | - | 301 | 301 |
| Road Median Improvement | Jun-24 | Jun-24 | 2,120 | 2,120 | - | 332 | 332 |
| Safer Dams & Weirs Improvement Program | Jun-22 | Jun-22 | 2,518 | 2,518 | - | 1,214 | 1,214 |
| Safer places - local area traffic management (LATM) | Jun-21 | Jun-22 | 600 | 600 | - | 462 | 462 |
| Streetlight control point program | Jun-21 | Jun-22 | 500 | 500 | - | 158 | 158 |
| Traffic signal LED upgrade | Jun-21 | Jun-22 | 2,000 | 2,000 | - | 963 | 963 |
| Traffic signal controller replacement program | Jun-21 | Jun-22 | 750 | 750 | - | 467 | 467 |
| Urban stormwater upgrade program | Jun-21 | Jun-22 | 660 | 660 | - | 255 | 255 |
| Yarralumla Nursery | | | | | | | |
| Safety improvement Yarralumla Nursery and Birrigai | Jun-21 | Jun-22 | 1,148 | 1,148 | - | 855 | 855 |
| Yarralumla Nursery upgrade of bird net structure | Jun-21 | Jun-22 | 150 | 150 | - | 14 | 14 |
| Sports and Recreation | | | | | | | |
| Sportsgrounds - Boomanulla | Jun-21 | Jun-22 | 820 | 820 | - | 420 | 420 |
| Sportsgrounds facilities improvement program | Jun-21 | Jun-22 | 680 | 680 | - | 285 | 285 |
| Sportsgrounds FIP including cladding in Gungahlin | Jun-21 | Jun-22 | 180 | 180 | - | 47 | 47 |
| ACT NoWaste | | | | | | | |
| Mugga 2 safety and compliance improvement | Jun-21 | Jun-22 | 100 | 450 | - | 38 | 38 |
| Place Management | | | | | | | |
| Dog park improvement program | Jun-21 | Jun-22 | 200 | 200 | - | 147 | 147 |
| Reducing reliance on potable water to irrigate grass | Jun-23 | Jun-23 | 2,330 | 2,330 | - | 281 | 281 |
| Physical security upgrades of Directorate sites | Jun-21 | Jun-22 | 200 | 200 | - | 177 | 177 |

| Project | Original Practical Completion Date | Revised Practical Completion Date | Original Value (\$'000) | Revised Value (\$'000) | Prior Yr Expenditure (\$'000) | 2020-21 Expenditure (\$'000) | Total Expenditure to Date (\$'000) |
|--|------------------------------------|-----------------------------------|-------------------------|------------------------|-------------------------------|------------------------------|------------------------------------|
| Play space audit work | Jun-21 | Jun-22 | 680 | 680 | - | 500 | 500 |
| Pump house upgrade | Jun-21 | Jun-22 | 300 | 300 | - | 51 | 51 |
| Transport Canberra Operations | | | | | | | |
| Feasibility Study - additional bus depots | Jun-21 | Sept-21 | 350 | 350 | - | - | - |
| Replacement/additional heavy vehicle recovery truck | Jun-21 | Sept-21 | 750 | 750 | - | 40 | 40 |
| TCO Driver terminus replacement and upgrades | Jun-21 | Jun-22 | 250 | 250 | - | 60 | 60 |
| TCO Workshop safety initiatives and tool upgrades | Jun-21 | Jun-22 | 200 | 200 | - | 132 | 132 |
| TCO Workshop ventilation and cooling upgrade | Jun-21 | Jun-22 | 300 | 300 | - | 296 | 296 |
| Total New Better Infrastructure Fund Projects | | | 25,031 | 25,381 | - | 10,593 | 10,593 |
| Total New Works | | | 291,552 | 294,902 | - | 29,166 | 29,166 |
| WORKS IN PROGRESS 2020-21 | | | | | | | |
| Libraries ACT | | | | | | | |
| Better Services – Improving libraries – self service check out and improved access | Jun-18 | Dec-21 | 2,200 | 2,200 | 1,897 | - | 1,897 |
| Enhancement of library collections | Jun-21 | Ongoing | 2,517 | 2,517 | - | 1,919 | 1,919 |
| Look and Feel of the City* | Jun-21 | Aug-21 | 1,743 | 1,743 | - | 1,431 | 1,431 |
| Roads ACT | | | | | | | |
| Better connecting Belconnen and Gungahlin | Jun-23 | Jun-23 | 44,530 | 44,530 | 1,078 | 4,203 | 5,281 |
| Better public transport infrastructure for Canberra | Jun-21 | Dec-21 | 1,800 | 1,800 | 121 | 1,336 | 1,457 |
| Better Roads for Canberra – Stronger bridges to transport freight | Jun-19 | Dec-21 | 8,800 | 8,800 | 7,037 | 138 | 7,176 |
| Building a better city – Canberra Brickworks – Access road and Dudley Street upgrade 2 | Jun-20 | Nov-21 | 8,000 | 10,042 | 1,553 | 3,769 | 5,321 |
| Building a better city – Improving Tharwa Village fire fighting water supply | Jun-19 | Jun-22 | 1,427 | 1,427 | 502 | 35 | 537 |

| Project | Original Practical Completion Date | Revised Practical Completion Date | Original Value (\$'000) | Revised Value (\$'000) | Prior Yr Expenditure (\$'000) | 2020-21 Expenditure (\$'000) | Total Expenditure to Date (\$'000) |
|---|------------------------------------|-----------------------------------|-------------------------|------------------------|-------------------------------|------------------------------|------------------------------------|
| Building a better city – Pialligo Avenue duplication early planning | Jun-20 | Jun-22 | 4,000 | 4,000 | 2,161 | 83 | 2,244 |
| Delivering safer intersections | Jun-22 | Nov-22 | 10,770 | 7,520 | 723 | 1,680 | 2,403 |
| Improving stormwater networks | Jun-23 | Jun-23 | 19,061 | 19,325 | 2,868 | 4,111 | 6,979 |
| Improving Tharwa Drive and Nudurr Drive | Jun-21 | Aug-21 | 400 | 400 | - | 379 | 379 |
| Improving water management infrastructure | Jun-20 | Jun-22 | 500 | 500 | 192 | 50 | 242 |
| Keeping our growing city moving – Better infrastructure for active travel | Jun-22 | Jun-22 | 21,650 | 23,354 | 8,720 | 10,498 | 19,218 |
| Keeping our growing city moving – Canberra Brickworks Precinct - environmental offsets | Jun-19 | Nov-21 | 1,500 | 1,500 | 620 | 514 | 1,135 |
| Keeping our growing city moving – John Gorton Drive and Molonglo River Bridge Crossing – early design | Jun-19 | Jul-21 | 1,250 | 1,250 | 1,067 | 388 | 1,456 |
| Keeping our growing city moving – Monaro Highway upgrade | Jun-19 | Jul-21 | 2,000 | 2,000 | 1,910 | (80) | 1,830 |
| Keeping our growing city moving – Safer intersections | Jun-20 | Sept-21 | 4,370 | 4,320 | 4,092 | 115 | 4,207 |
| Look and Feel of the City* | Dec-20 | Aug-21 | 1,999 | 1,699 | - | 1,687 | 1,687 |
| Making our roads safer while keeping Canberra moving | Jun-22 | Jun-22 | 29,696 | 26,696 | 951 | 4,658 | 5,609 |
| More carparks for Palmerston Shops and Cooleman Court | Jun-20 | Aug-21 | 420 | 420 | 123 | (97) | 26 |
| Planning better roads for our growing city | Jun-21 | Jun-22 | 4,100 | 4,100 | 1,650 | 1,311 | 2,961 |
| Service requirements for delivering new school at Kenny | Jun-21 | Dec-21 | 1,500 | 1,500 | 300 | 702 | 1,002 |
| Strengthening infrastructure supporting Canberra's new public transport network | Jun-22 | Sept-21 | 5,100 | 5,100 | 411 | 3,067 | 3,478 |
| Supporting more Canberrians to Park and Ride | Jun-21 | Sept-21 | 2,500 | 2,500 | 66 | 726 | 792 |
| ACT NoWaste | | | | | | | |
| Better services in your community – Green Waste Bins | Jun-21 | Oct-23 | 9,571 | 9,571 | 3,634 | 392 | 4,026 |

| Project | Original Practical Completion Date | Revised Practical Completion Date | Original Value (\$'000) | Revised Value (\$'000) | Prior Yr Expenditure (\$'000) | 2020-21 Expenditure (\$'000) | Total Expenditure to Date (\$'000) |
|--|------------------------------------|-----------------------------------|-------------------------|------------------------|-------------------------------|------------------------------|------------------------------------|
| Better services in your community – Rehabilitating landfill sites | Jun-21 | Jun-22 | 34,287 | 34,287 | 9,912 | 841 | 10,753 |
| Managing waste better | Jun-21 | Jun-24 | 6,205 | 6,205 | 241 | 242 | 483 |
| More services for our suburbs – Better waste management | Jun-21 | Dec-21 | 1,640 | 1,640 | 442 | 48 | 490 |
| More services for our suburbs – Parkwood estate rehabilitation | Jun-20 | Jun-23 | 4,953 | 4,953 | 515 | 68 | 584 |
| Place Management | | | | | | | |
| Look and Feel of the City* | Jun-21 | Aug-21 | 3,209 | 3,509 | - | 3,068 | 3,068 |
| More services for our suburbs – More trees | Jun-21 | Jun-21 | 80 | 80 | 17 | 62 | 79 |
| Chief Operating Office | | | | | | | |
| Better Services – Improved asset management | Jun-19 | Jun-21 | 1,705 | 1,705 | 1,062 | 167 | 1,229 |
| Improving and expanding online services | Jun-23 | Jun-23 | 5,931 | 5,931 | 1,140 | 904 | 2,044 |
| Cemeteries | | | | | | | |
| More services for our suburbs – Southern Memorial Park Detailed Design | Jul-21 | Jun-21 | 921 | 921 | 119 | 568 | 687 |
| Transport Canberra Operations | | | | | | | |
| Better buses to support the new bus network | Jul-23 | Jul-23 | 37,510 | 37,510 | - | - | - |
| Better services in your community – Integrated bus and light rail ticketing | Jun-18 | Jun-21 | 2,100 | 2,100 | 1,993 | 10 | 2,003 |
| Building a better city – New Bus Depot Woden - Stage 1 | Jun-19 | Jun-24 | 25,775 | 25,775 | 8,378 | 1,222 | 9,600 |
| Building a better city – New Bus Depot Woden - Stage 2 | Jun-19 | Jun-24 | 17,000 | 17,000 | - | - | - |
| Expansion of the rapid bus network | Jun-19 | Jun-22 | 43,800 | 45,300 | 40,440 | 1,654 | 42,094 |
| More support for families and inclusion - Keeping Canberrans safe in public places | Jun-22 | Jun-22 | 500 | 500 | 200 | 283 | 484 |
| Transport for Canberra – Business system upgrade | Jun-16 | Jun-21 | 1,810 | 1,810 | 1,536 | 194 | 1,730 |
| Transport for Canberra – Real Time Passenger Information System | Jun-13 | Jun-22 | 12,500 | 12,500 | 10,945 | - | 10,945 |

| Project | Original Practical Completion Date | Revised Practical Completion Date | Original Value (\$'000) | Revised Value (\$'000) | Prior Yr Expenditure (\$'000) | 2020-21 Expenditure (\$'000) | Total Expenditure to Date (\$'000) |
|--|------------------------------------|-----------------------------------|-------------------------|------------------------|-------------------------------|------------------------------|------------------------------------|
| Total Works in Progress | | | | | | | |
| | | | 391,330 | 390,540 | 118,616 | 52,348 | 170,965 |
| Physically Complete Projects 2020-21 | | | | | | | |
| Roads ACT | | | | | | | |
| Better Roads for Belconnen – Aikman Drive duplication | Nov-17 | Oct-19 | 9,801 | 9,601 | 9,370 | 32 | 9,402 |
| Better Roads for Gungahlin – Horse Park Drive duplication (Mulligans Flat Road to the Federal Highway) | Jun-19 | Jul-19 | 57,000 | 49,505 | 47,811 | 144 | 47,954 |
| Building a better city – Active Travel – Belconnen bikeway | Jun-18 | Sept-18 | 250 | 250 | 250 | - | 250 |
| Building a better city – Federal Highway and Old Wells Station Road intersection upgrade | Jun-18 | Sept-18 | 1,200 | 2,300 | 2,232 | 68 | 2,300 |
| Building a better city – Gundaroo Drive duplication – Stage 2 | Jun-20 | Sept-20 | 30,000 | 30,400 | 25,421 | 2,562 | 27,983 |
| Building a better city – Monaro Highway upgrade | Jun-20 | Jan-21 | 2,000 | 2,000 | 1,839 | 161 | 2,000 |
| Building a better city – Upgrading stormwater infrastructure on Flemington Road | Jun-19 | Oct-19 | 1,000 | 400 | 569 | 48 | 616 |
| Caring for our Environment – Lake Tuggeranong Water Quality Improvement – Stage 2 (Isabella Weir) | Jun-20 | Jun-20 | 9,000 | 9,250 | 9,004 | 106 | 9,110 |
| Civic to Gungahlin Corridor Improvements | Feb-16 | May-21 | 20,000 | 23,635 | 23,145 | 73 | 23,219 |
| Improving Our Suburbs – New Molonglo Valley infrastructure | Jun-20 | Jul-20 | 32,970 | 30,934 | 28,584 | 633 | 29,217 |
| Intersection Upgrades - Belconnen way intersection with Springvale Drive (Commonwealth) | Jun-21 | Jun-21 | 750 | 750 | - | 750 | 750 |
| Intersection Upgrades - Kuringa Drive intersection with Owen Dixon (Commonwealth) | Jun-21 | Jun-21 | 1,750 | 1,750 | - | 1,750 | 1,750 |
| Keeping our growing city moving – William Slim Drive Duplication (Barton Highway to Ginninderra Drive) | Jun-19 | Jan-20 | 250 | 250 | 250 | - | 250 |

| Project | Original Practical Completion Date | Revised Practical Completion Date | Original Value (\$'000) | Revised Value (\$'000) | Prior Yr Expenditure (\$'000) | 2020-21 Expenditure (\$'000) | Total Expenditure to Date (\$'000) |
|---|------------------------------------|-----------------------------------|-------------------------|------------------------|-------------------------------|------------------------------|------------------------------------|
| More active travel infrastructure for our schools and suburbs | Jun-21 | Jun-20 | 2,194 | 2,194 | 1,488 | 365 | 1,852 |
| More services for our suburbs – Bringing Woden Town Square to life | Jun-20 | Nov-20 | 734 | 734 | 41 | 360 | 401 |
| ACT NoWaste | | | | | | | |
| Better services in your community – Essential waste management infrastructure | Jun-21 | Sept-20 | 25,291 | 26,421 | 24,995 | 1,393 | 26,389 |
| Place Management | | | | | | | |
| Better Suburbs: Planting more trees and delivering more bins at local shops | Jun-23 | Jan-21 | 616 | 616 | 454 | 161 | 616 |
| More jobs for our growing city – Better town centres | Jun-21 | Jun-21 | 4,750 | 4,750 | 1,790 | 2,932 | 4,722 |
| Chief Operating Office | | | | | | | |
| Better Government – Improving customer services delivery | Jun-19 | Jun-21 | 460 | 460 | 453 | 7 | 460 |
| Better Infrastructure Fund 2020-2021 - Physically complete projects | | | | | | | |
| Roads ACT | | | | | | | |
| Better public transport infrastructure for Canberra 2 | Jun-21 | Jun-21 | 1,950 | 1,950 | - | 1,950 | 1,950 |
| Transport Canberra Operations | | | | | | | |
| TCO Bus depot upgrades - Belconnen | Jun-21 | Jun-21 | 300 | 300 | - | 300 | 300 |
| TCO Major component overhaul and refurbishment | Jun-21 | Jun-21 | 1,000 | 1,000 | - | 1,000 | 1,000 |
| TCO Site safety initiatives - lighting Tuggeranong | Jun-21 | Jun-21 | 75 | 75 | - | 75 | 75 |
| Prior Year Better Infrastructure Fund - Physically complete projects | | | | | | | |
| Libraries | | | | | | | |
| Upgrades to Woden Library | Jun-20 | Jun-21 | 500 | 500 | 82 | 718 | 800 |
| Roads ACT | | | | | | | |
| Building a better city — Active Travel — Footpath and cycleway upgrades | May-21 | Jun-21 | 3,220 | 3,220 | 2,851 | 373 | 3,224 |

| Project | Original Practical Completion Date | Revised Practical Completion Date | Original Value (\$'000) | Revised Value (\$'000) | Prior Yr Expenditure (\$'000) | 2020-21 Expenditure (\$'000) | Total Expenditure to Date (\$'000) |
|--|------------------------------------|-----------------------------------|-------------------------|------------------------|-------------------------------|------------------------------|------------------------------------|
| Traffic signal controller replacement program | Jun-20 | Jun-21 | 700 | 700 | 71 | 629 | 700 |
| Place Management | | | | | | | |
| Bollard replacement program - Garema Place & City Walk | Jun-20 | Jun-21 | 360 | 360 | 206 | 154 | 360 |
| Dog park improvement program | Jun-20 | Jul-20 | 200 | 200 | 171 | 29 | 200 |
| Local shopping centre improvements | Jun-20 | Jun-21 | 500 | 1,800 | 873 | 927 | 1,801 |
| Play space upgrades | Jun-20 | Dec-20 | 2,150 | 3,000 | 1,253 | 1,743 | 2,995 |
| Safer Walking and Cycling Around Schools | Jun-20 | Jun-20 | 1,250 | 1,250 | 1,205 | 44 | 1,250 |
| Transport Canberra Operations | | | | | | | |
| ACTION Transport Canberra bus operations | Jun-20 | Jun-21 | 2,185 | 2,535 | 1,833 | 820 | 2,652 |
| Total Projects Physically Complete | | | 214,406 | 213,090 | 186,240 | 20,307 | 206,547 |
| Physically and Financially Complete Projects 2020-21 | | | | | | | |
| Roads ACT | | | | | | | |
| Better Roads for Gungahlin – Gundaroo Drive duplication – Stage 1 | May-17 | Dec-18 | 31,185 | 31,221 | 31,221 | - | 31,221 |
| Better Roads for Gungahlin – Gungahlin town centre road network improvements | Jun-20 | Jan-19 | 4,500 | 4,800 | 4,801 | - | 4,801 |
| More services for our suburbs – Stormwater infrastructure improvements | Jun-19 | Apr-21 | 3,000 | 3,000 | 769 | 2,231 | 3,000 |
| Urban Renewal Program – Molonglo 3 infrastructure | Jun-19 | Oct-19 | 2,970 | 2,863 | 2,864 | - | 2,864 |
| Sport and Recreation | | | | | | | |
| More jobs for our growing city – Renewing Higgins Neighbourhood Oval | Jun-20 | Mar-20 | 1,250 | 1,250 | 1,250 | - | 1,250 |
| More services for our suburbs - Better facilities at Higgins Neighbourhood Oval | | | 600 | 600 | 597 | - | 597 |
| More services for our suburbs – Sports Ground Restoration – Boomanulla Enclosed Oval | Jun-19 | Oct-18 | 1,270 | 1,270 | 1,262 | - | 1,262 |
| ACT NoWaste | | | | | | | |

| Project | Original Practical Completion Date | Revised Practical Completion Date | Original Value (\$'000) | Revised Value (\$'000) | Prior Yr Expenditure (\$'000) | 2020-21 Expenditure (\$'000) | Total Expenditure to Date (\$'000) |
|---|------------------------------------|-----------------------------------|-------------------------|------------------------|-------------------------------|------------------------------|------------------------------------|
| Growing investment in services for our suburbs | Jun-21 | Jun-21 | 741 | 741 | - | 741 | 741 |
| Place Management | | | | | | | |
| More City Services depots for better service delivery | Jun-21 | Feb-21 | 400 | 400 | 119 | 297 | 416 |
| More services for our suburbs – Boosting Anketell Street improvements | Jun-19 | Jul-19 | 750 | 750 | 535 | 215 | 750 |
| Transport Canberra Operations | | | | | | | |
| Light Rail Safety Initiatives | Jun-20 | Mar-21 | 740 | 740 | 281 | 459 | 740 |
| More bus drivers for weekend services | Jun-20 | May-20 | 100 | 100 | 99 | 0 | 99 |
| Better Infrastructure Fund 2020-2021 - Physically and Financially complete projects | | | | | | | |
| Roads ACT | | | | | | | |
| Bike Repair Stations | Nov-20 | Jun-21 | 20 | 20 | - | 20 | 20 |
| Streetlight energy performance contract (EPC) | Jun-21 | Jun-21 | 2,050 | 2,050 | - | 2,050 | 2,050 |
| Place Management | | | | | | | |
| Upgrade dangerous dog cages at DAS | Jun-21 | Jun-21 | 140 | 140 | - | 141 | 141 |
| Prior Year Better Infrastructure Fund - Physically and Financially complete projects | | | | | | | |
| Roads ACT | | | | | | | |
| Building a better city — Active Travel — Footpath and cycleway upgrades | May-21 | Jun-21 | - | 490 | 490 | | 490 |
| Dam safety code | Jun-20 | Jun-21 | 950 | 950 | 925 | 25 | 950 |
| Disability Discrimination Act compliant bus stops | Jun-20 | Jul-20 | 1,250 | 1,250 | 971 | 279 | 1,250 |
| Electricity armour cable upgrade program | Jun-20 | Jun-21 | 400 | 400 | 153 | 253 | 406 |
| Road Traffic Coordination Centre | Jun-20 | Sept-20 | 540 | 540 | 221 | 333 | 554 |
| Street light control point program | Jun-20 | Jun-21 | 2,500 | 500 | 477 | 19 | 496 |
| Street light energy performance contract EPC | Jun-20 | Jun-21 | 2,050 | 2,050 | 2,050 | - | 2,050 |
| Traffic signal LED upgrade program | Jun-20 | Jun-21 | 500 | 500 | 47 | 453 | 500 |
| Urban stormwater upgrade program | Jun-20 | Jun-21 | 2,200 | 1,560 | 1,533 | 28 | 1,561 |

| Project | Original Practical Completion Date | Revised Practical Completion Date | Original Value (\$'000) | Revised Value (\$'000) | Prior Yr Expenditure (\$'000) | 2020-21 Expenditure (\$'000) | Total Expenditure to Date (\$'000) |
|--|------------------------------------|-----------------------------------|-------------------------|------------------------|-------------------------------|------------------------------|------------------------------------|
| Sport and Recreation | | | | | | | |
| Sportgrounds facilities improvement program | Jun-20 | Apr-20 | 1,310 | 1,310 | 1,306 | 4 | 1,310 |
| Water demand management | Jun-20 | Jun-21 | 550 | 550 | 482 | 68 | 550 |
| ACT NoWaste | | | | | | | |
| Recycling Drop Off Centre (RDOC) safety security and functionality upgrades | Jun-20 | Jun-21 | 250 | 250 | 52 | 164 | 216 |
| Place Management | | | | | | | |
| Lake Ginninderra District Park Pump House Upgrade | Jun-20 | Jun-21 | 180 | 180 | 90 | 90 | 180 |
| Town Centres - Building a better city – Revitalising local town centres | Jun-19 | Jun-19 | 8,000 | 8,450 | 8,349 | 105 | 8,454 |
| Transport Canberra Operations | | | | | | | |
| ACTION workshop safety initiatives - vehicle lift equipment | Jun-20 | Jun-21 | 500 | 500 | 500 | - | 500 |
| ACTION workshop safety - overhead service equipment | Jun-20 | Jun-21 | 750 | 750 | 750 | - | 750 |
| ACTION major component overhaul incl floors and passenger seats | Jun-20 | Jun-21 | 1,369 | 1,019 | 1,019 | - | 1,019 |
| Total Projects Physically and Financially Complete | | | | | | | |
| | | | 73,015 | 71,194 | 63,213 | 7,974 | 71,187 |
| TOTAL COMBINED CAPITAL WORKS PROGRAM | | | 970,303 | 969,726 | 368,069 | 109,796 | 477,865 |
| * Some projects within Look and Feel of the City are physically and financially complete. | | | | | | | |
| ** Projects jointly funded with the Australian Government and ACT Government have been included. | | | | | | | |

| RECONCILIATION OF FUNDING AND EXPENDITURE | | \$'000 |
|--|--|----------------|
| Reconciliation of Total Current Year Financing | | |
| Original Capital Works Financing | | 227,437 |
| Less: Capital Injection not drawn in 2020-21 | | (87,677) |
| Capital Injection from Government per Cash Flow Statement | | 139,760 |
| Reconciliation of Total Current Year Actual Expenditure - Against Financing | | |
| Total Current Year Capital Works Expenditure | | 109,796 |
| Add: Expenditure for other Capital Injection Projects | | 36,286 |
| Add: Accruals 2019-20 | | 2,445 |
| Less: Accruals 2020-21 | | (8,065) |
| Less: GPO Funded Projects | | (702) |
| Capital Injection from Government per Cash Flow Statement | | 139,760 |
| Reconciliation of Total Current Year Actual Expenditure | | |
| Total Current Year Capital Works Expenditure | | 109,796 |
| Add: WIP Expenditure for other Capital Injection Projects | | 21,920 |
| Add: Accruals 2019-20 | | 2,445 |
| Less: Accruals 2020-21 | | (8,065) |
| Less: GPO Funded Projects | | (702) |
| Total payments from Investing Activities as per Cash Flow Statement | | 125,394 |

ASSET MANAGEMENT

Overview

TCCS delivered a wide range of services to the ACT community on behalf of the ACT Government. Much of this relied on the planning, development, and management of a significant and diverse range of assets that were valued in 2020-21 at \$10.27 billion. The largest asset category was infrastructure assets (\$7.25 billion) including roads, bridges, stormwater, streetlights, community paths, community sporting facilities, traffic signals, waste, and recycling assets. Other assets in the TCCS portfolio included public libraries, buses, urban open space land and property assets. During the reporting period, TCCS reassessed the value of assets in accordance with the ACT Accounting Policy, resulting in an increase in the asset value of \$29.2 million.

Strategic Asset Management Framework (SAMF)

The strategic asset management framework (SAMF) encompasses a set of documents, systems and processes that enabled TCCS to meet its asset management responsibilities whilst also efficiently meeting the requirements of the community. The SAMF allowed TCCS to promote the financial sustainability of TCCS assets through 'whole of life' and 'whole of organisation' approaches. The SAMF also enabled the development of policies, strategies and plans to be informed, and to inform the community of government aspirations, service level requirements and investment decisions. In 2020-21 further work has been undertaken to migrate to a new Asset Management Information System (AMIS), which is expected to be complete during the 2021-22 financial year.

The new AMIS will improve consistency and approach to asset management, whilst also improving the feedback loop associated with asset or service related requests or notifications from the public.

Asset Maintenance and Upgrades

Excluding capital works, expenditure on capital upgrades undertaken in 2020-21 totalled \$18.1 million, consisting of:

- > Bus engine overhauls and other upgrades - \$3.9 million;
- > Sports facility improvements - \$0.8 million;
- > Active travel - \$4.3 million;
- > Road infrastructure and safety - \$4.7 million;
- > Play space upgrades and open space improvements - \$0.8 million;
- > Water resources and stormwater improvements - \$2.1 million; and
- > Other upgrades and improvements - \$1.5 million.

Land management

Maintenance of the urban assets includes mowing, cleaning, litter picking, painting, pruning, mulching, and undertaking safety inspections and repairs. This ensures assets are maintained in a safe, functional, and attractive condition. During 2020-21, TCCS managed an additional 12,946 trees in new areas throughout the ACT. During this period TCCS managed and maintained 90 shopping precinct areas, 430 designated urban parks, 384 hectares of irrigated grassland, 113 sportsgrounds and 135 lakes and ponds.

Capital Linen Service

Due to delays as a result of COVID-19, the expansion of the clean bag monorail system was commissioned early July 2020. It has provided the expected benefits in storage and production flexibility which have been particularly important with demand fluctuations, due to travel restrictions, impacting the hotel sector. Additionally in the 2020-21 year a new barrier washer extractor was installed as part of an asset replacement program, the barrier washer is used to provide intensive wash capability required for some hospital and commercial products.

Roads and sustainable transport

The Australian Road Research Board (ARRB) has been engaged by the ACT Government for conducting ongoing analysis on Arterial roads using Pavement Management System (PMS) and providing advice on optimised preventative and corrective road maintenance programs. Optimisation is based upon analysing pavement condition data, traffic data, reviewing past programs (i.e. budgets versus amount resurfaced) and forecast of a future 10-year resurfacing program.

The optimised works program assisted Roads ACT in selecting road locations and resurfacing types and achieve improvement of the overall condition of the road network. The most recent ARRB report indicated that the overall condition of the road network is currently in fair condition but will be gradually deteriorating. This downward trend indicates that increasing investment will be required to improve the overall condition and prevent progressive deterioration with the growth of the city and increase in traffic volumes and age of the network. A gap analysis indicates a shortfall of around \$2.0M p.a. between the current budget and the required funding to maintain current network condition over time.

Public transport

The Transport Canberra bus fleet replacement program continued in 2020-21 with the delivery of 7 new rigid Euro VI Scania diesel buses and additional variation work to install hatch door. Various upgrades to the Belconnen bus depot, workshop ventilation and cooling as well as CCTV in the bus stations have been completed in the 2020-21 Financial Year. A further \$1.0m was spent in 2020-21 to overhaul and refurbish major bus components, including passenger seating and flooring, engine transmissions and differentials. The HASTUS Scheduling system has been upgraded into a Cloud based model. Enhancement for Light Rail Safety infrastructure to include hanging straps and door sensor into the Light Rail Vehicle has been completed.

Office Accommodation Management

As of 30 June 2021, TCCS employed 2,342 people, of which 1,762 were in non-office environments working in occupations such as Bus Operators, Horticulturists, Laundry Assistants, Arborists, and Road Maintenance Teams.

Approximately 165 employees worked at 480 Northbourne Avenue in Dickson on 30 June 2021. The total area of 480 Northbourne Avenue amounts to 13,894 square metres of which TCCS occupies 5,419 square metres. Of the TCCS employees working from this location, there is a capacity rate of 32.84 square metres per employee.

The table below outlines TCCS's office-based locations. The directorate's facilities also several non-office-based locations.

Table 23: Office utilisation as at 30 June 2021

| Location | Address | Staff Numbers (on site 30 June) | Area Occupied (m ²) |
|--|---------------------------------|------------------------------------|------------------------------------|
| 480 Northbourne Avenue | 480 Northbourne Avenue, Dickson | 165 | 5,419 |
| 255 Canberra Avenue | 255 Canberra Avenue, Fyshwick | 45 | 2,781 |
| Tuggeranong Bus Depot (Administration) | Scollay Street, Tuggeranong | 15 | 2,401 |
| Belconnen Bus Depot (Administration) | 5 Cohen Street, Belconnen | 6 | 1,351 |
| Total | | 231 | 11,952 |

Table 24: TCCS asset valuation

| Asset | Value (\$'million) | Revaluation Increment/(Decrement) (\$'million) |
|------------------------|--------------------|--|
| Infrastructure | 7,247.1 | (106.9) |
| Heritage and community | 2,817.0 | 129.7 |
| Plant and equipment | 62.6 | n/a |
| Buildings | 87.3 | n/a |
| Land | 49.8 | 6.2 |
| Leasehold improvements | 3.4 | 0.1 |
| Intangible assets | 1.0 | n/a |
| Total | 10,268.2 | 29.1 |

Table 25: TCCS managed assets

| Asset type | Amount |
|-------------------------|---------------------------------------|
| Roads* | 3,205 kilometres |
| Bridges and culverts** | 1,312 |
| Footpaths* | 2,652 kilometres |
| Streetlights (lamps)* | 80,297 |
| Stormwater* | 3,984 pipe kilometres |
| Cycle lanes (on road)* | 625 kilometres |
| Cycle lanes (off road)* | 507 kilometres |
| Urban open space* | 6,351 hectares |
| Lakes and ponds* | 385 hectares |
| Urban trees | 791,983 |
| Playgrounds* | 517 |
| Sportsgrounds* | 422 hectares (282 hectares irrigated) |
| Barbeques* | 121 |

*TCCS Asset Management System as at 30 June 2021

GOVERNMENT CONTRACTING

All procurement processes within the directorate are required to comply with the procurement legislative framework including the [Government Procurement Act 2001](#), [Government Procurement Regulation 2007](#), and subordinate guidelines and circulars.

TCCS engaged the services of Procurement ACT and the Infrastructure Delivery Partnership Group, CMTEDD, and where necessary, the ACT Government Solicitors Office, for all procurements above \$200,000. TCCS is aware of the Legal Services Directions requiring ACTGS review of contracts above the value of \$50M.

Whole of Government panels are leveraged where appropriate, including the Creative Services Panel for the provision of creative and digital communication services. Through the Creative Services Panel TCCS engaged 13 providers to the value of \$706,000.

Procurement expenditures are approved by appropriate Directorate delegates and the Directorate continues to be responsible for the management of contracts, excluding infrastructure contracts outsourced to Major Projects Canberra. TCCS continues to provide training opportunities for staff undertaking Procurement and Contract Management.

A competitive procurement process is conducted wherever possible and any select or single select procurement processes are approved by the

Director-General and completed following the provisions of the Government Procurement Regulation 2007.

TCCS progressed the Purchase Order-2-Payment module's implementation to enable automated Purchase Order and expense allocation to Contracts and improve contract management reporting.

TCCS has demonstrated a commitment to the implementation of the [ACT Government Procurement Framework](#), including the [Government Procurement \(Charter of Procurement Values\) Direction 2020](#) and procurement policies. Social procurement and the application of the [Aboriginal and Torres Strait Islander Procurement Policy](#) is considered wherever possible, and several procurement processes have been designed to require or encourage, either directly or by subcontract, the delivery of goods and services.

TCCS continues to actively implement the requirements of the [Secure Local Jobs Code](#) engaging the Secure Local Jobs Office to provide additional training to TCCS staff to improve awareness and understanding of the code. No exemptions under section 22H of the [Government Procurement Act 2001](#) have been provided or reported by TCCS.

TCCS has achieved the following results against the three performance measures for the Aboriginal and Torres Strait Islander Procurement Policy.

Table 26: Aboriginal and Torres Strait Islander Procurement Policy (ATSIPP) Performance Measures for the 2020-21 financial year.

| No. | ATSIPP Performance Measure | Result |
|-----|---|--------|
| 1 | The number of unique Aboriginal and Torres Strait Islander Enterprises that respond to Territory tender and quotation opportunities issued from the Approved Systems. | 9 |
| 2 | The number of unique Aboriginal and Torres Strait Islander Enterprises attributed a value of Addressable Spend in the financial year. | 28 |
| 3 | Percentage of the financial year's Addressable Spend that is spent with Aboriginal and Torres Strait Islander Enterprises – target 1.5%. | 0.85% |

Measure 1 The number of unique Aboriginal and Torres Strait Islander enterprises that respond to Territory tender and quotation opportunities issued from the Approved Systems:

Nine Aboriginal and Torres Strait Islander Enterprises responded to five tender and/or quotation opportunities issued from the Approved Systems. TCCS acknowledges this can be improved and is working to better communicate, promote and record opportunities for Aboriginal and Torres Strait Islander enterprises to be including in tender and quotation processes.

Measure 2 The number of unique Aboriginal and Torres Strait Islander enterprises attributed a value of Addressable Spend in the financial year:

TCCS engaged 28 unique Aboriginal and Torres Strait Islander Enterprises to a value of \$1.49m.

Measure 3 Percentage of the financial year's Addressable Spend that is spent with Aboriginal and Torres Strait Islander enterprises (1.5 percent in 2020-21).

TCCS achieved 0.85% of addressable spend attributed to Aboriginal and Torres Strait Islander Enterprises engagements.

The Directorate continues to communicate and promote the policy to increase the engagement of Aboriginal and Torres Strait Islander Enterprises and the Directorate's performance against all three measures. The Directorate is continuing to identify opportunities to apply and monitor the policy.

External Sources of Goods and Services

The online ACT Government Contracts Register records contracts with suppliers of goods, services, and works, with a value of \$25,000 or more. A full search of TCCS contracts notified with an execution date from 1 July 2020 to 30 June 2021 can be made at <https://tenders.act.gov.au/contract/search>

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the Transport Canberra and City Services Directorate (Directorate) for the year ended 30 June 2021.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2021 are not in agreement with the Directorate's records or do not fairly reflect, in all material respects, the performance of the Directorate, in accordance with the *Financial Management Act 1996*.

Emphasis of matter

I draw attention to the statement of responsibility and statement of performance which state that the Directorate has not measured a result for the accountability indicator in Output Class 2.2: Library Services, *h. Percentage of participants with a learning outcome from library programs* as required by Section 30A(2) of the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

The Directorate's responsibilities for the statement of performance

The Director-General is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of the Directorate.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with the Directorate's records or do not fairly reflect, in all material respects, the performance of the Directorate, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of the Directorate, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by the Directorate.



Michael Harris
Auditor-General
21 September 2021

Transport Canberra and City Services Directorate
Statement of Performance
For the Year Ended 30 June 2021

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with Directorate's records and fairly reflects the service performance of the Directorate for the year ended 30 June 2021 and also fairly reflects the judgements exercised in preparing it.

As disclosed in the Statement of Performance, the results for the accountability indicator in Output Class 2.2: Library Services, *h. Percentage of participants with a learning outcome from library programs* was not measured as required by Section 30A(2) of the *Financial Management Act 1996* due to paper surveys not being undertaken during any face-to-face programs run in library branches during the reporting period as a result of the COVID-19 pandemic.



Alison Playford
Director-General
Transport Canberra and City Services Directorate

21 September 2021

| Transport Canberra and City Services Directorate Statement of Performance For the Year Ended 30 June 2021 | | | | | |
|--|----------------------------|--------------------------|----------------------------------|--|--|
| Output Class 1: Transport Canberra | | | | | |
| Output 1.1: Transport Canberra | | | | | |
| Description: Transport Canberra includes oversight of the Government subsidy paid to bus and light rail operations, the strategic oversight of the public transport network, public transport asset management and the Active Travel Office. | | | | | |
| | Original Target 2020-21 | Actual Result 2020-21 | Variance from Original Target | Explanation of Material Variances (>= +/- 5%) | |
| TOTAL COST (\$'000) | \$215,966 | \$208,320 | 4% | | |
| CONTROLLED RECURRENT PAYMENTS (\$'000) | \$214,273 | \$209,074 | 2% | | |
| Accountability Indicators | | | | | |
| Light Rail | | | | | |
| a. Light rail passenger service availability ¹ | 99.5% | 100.0% | 1% | | |
| b. Customer satisfaction with light rail services as assessed by passenger survey ² | 85% | 91% | 7% | Higher than targeted result is mainly due to the positive customer experience travelling on light rail. There is a general perception of convenience, cleanliness, reliable and frequent service and many respondents have expressed their wish to see the network expanded. | |
| Active Travel Office | | | | | |
| c. Customer satisfaction with access to cycle and walking paths ² | 85% | 88% | 4% | | |
| Public Transport Passenger Boardings | | | | | |
| d. Public transport passenger boardings ³ | 19.9m | 15.1m | (24%) | Lower than targeted result is due to fewer passengers using public transport because of the ongoing COVID-19 pandemic. | |
| Bus Operations | | | | | |
| e. Customer satisfaction with bus operations services as assessed by passenger survey ² | 85% | 78% | (8%) | Lower than targeted result is mainly due to the ongoing impact of network changes implemented in 2019, particularly in the area of South Canberra. This is being addressed in the updated network for 2022. | |
| f. Percentage of in service fleet fully compliant with standards under the <i>Disability Discrimination Act</i> 1992 ⁴ | 86% | 93% | 8% | Higher than targeted result is mainly due to increased number of <i>Disability Discrimination Act</i> (DDA) compliant replacement buses during the financial year, resulting in retirement of non-DDA compliant buses. | |
| g. Percentage of in service fleet Euro 5 or better emission standard compliant ⁵ | 67% | 73% | 9% | Higher than targeted result is mainly due to increased number of Euro VI emission standard compliant replacement buses during the financial year, resulting in retirement of non-compliant buses. | |
| h. Service reliability – percentage of all scheduled services which operated to completion | 99.5% | 98.8% | (1%) | | |

| Transport Canberra and City Services Directorate Statement of Performance For the Year Ended 30 June 2021 | | | | |
|---|----------------------------|--------------------------|----------------------------------|--|
| Output Class 1: Transport Canberra Output 1.1: Transport Canberra Description: Transport Canberra includes oversight of the Government subsidy paid to bus and light rail operations, the strategic oversight of the public transport network, public transport asset management and the Active Travel Office. | | | | |
| | Original Target 2020-21 | Actual Result 2020-21 | Variance from Original Target | Explanation of Material Variances (>= +/- 5%) |
| i. Percentage of services operating on scheduled time ⁶ | 75% | 78% | 4% | |
| j. Total network operating cost per network kilometre ⁷ | \$5.88 | \$6.01 | 2% | |
| The above Accountability Indicators should be read in conjunction with the accompanying notes. | | | | |

Explanation of Accountability Indicators

- 1 Availability of light rail for passengers services is measured by comparing the number of scheduled services against the number of services that were delivered.
- 2 Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Transport Canberra and City Services Directorate (the Directorate). The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, and street signs), waste collection, parks and open spaces, and public transport. Minimum sample size for this survey is 1,000.
- 3 This indicator measures the patronage numbers for buses and light rail.
- 4 The DDA details the accessibility specifications of a bus required to achieve compliance. The Act requires full compliance by 2022.
- 5 Euro emission standards define the acceptable limits for exhaust emissions of vehicles.
- 6 Operating on scheduled time describes a bus service that departs a stop that is a designated timing point between one minute earlier and four minutes later than the scheduled time. GPS technology attached to the MyWay system is used to measure this indicator. Only scheduled services that operated successfully are measured.
- 7 Network operating costs per kilometre measures the cost and kilometres directly attributable to the operation of Transport Canberra Operations' bus network route.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

Transport Canberra and City Services Directorate
Statement of Performance
For the Year Ended 30 June 2021

Output Class 2: City Services
Output 2.1: Roads and Infrastructure
Description: Management of the Territory's road and associated assets, stormwater infrastructure, community paths, bridges, traffic signals, streetlights and car parks. This output also includes the provision of asset information services, capital works and development approvals relating to the acceptance of new infrastructure assets.

| | Original Target 2020-21 | Actual Result 2020-21 | Variance from Original Target | Explanation of Material Variances (≥ +/- 5%) |
|---|----------------------------|--------------------------|----------------------------------|--|
| TOTAL COST (\$'000) | \$250,650 | \$263,930 | 5% | Higher than targeted result is mainly due to unbudgeted expenses from capital projects that did not meet the asset recognition criteria under the Australian Accounting Standards. |
| CONTROLLED RECURRENT PAYMENTS (\$'000) | \$101,540 | \$99,221 | (2%) | |
| Accountability Indicators | | | | |
| Roads | | | | |
| a. Annual percentage of territorial roads resurfaced ¹ | 5% | 6% | 20% | Higher than targeted result is mainly due to additional Australian Government stimulus funding during the financial year contributing to added resurfacing of territorial roads. |
| b. Annual percentage of municipal roads resurfaced | 4% | 4% | 0% | |
| c. Percentage of customers satisfied with the public road network ² | > 75% | 80% | - | |
| d. Percentage of territorial roads in good condition ¹ | > 89% | 89.2% | - | |
| e. Percentage of bridges that meet SM1600 standard on the B Double Network ³ | > 80% | 84% | - | |
| f. Increase in length (km) of community paths ⁴ | 35 | 65 | 86% | This measure is influenced by both creation of new paths through Directorate's ongoing capital works program, and also by gifting of path assets created by land developers. During the current reporting period more than anticipated path assets were received from land developers and from completed capital works due to stimulus package works. |
| g. Increase in length (km) of cycle lanes ⁵ | 25 | 21 | (16%) | This measure is influenced by both creation of cycle lanes through Directorate's ongoing capital works program, and also by gifting of cycle lane assets created by land developers. During the current reporting period fewer than anticipated cycle lanes were received, which may be due to the timing difference between completing the construction works and registration of 'works and executed'. |

Transport Canberra and City Services Directorate
Statement of Performance
For the Year Ended 30 June 2021

Output Class 2: City Services
Output 2.1: Roads and Infrastructure
Description: Management of the Territory's road and associated assets, stormwater infrastructure, community paths, bridges, traffic signals, streetlights and car parks. This output also includes the provision of asset information services, capital works and development approvals relating to the acceptance of new infrastructure assets.

| | Original Target 2020-21 | Actual Result 2020-21 | Variance from Original Target | Explanation of Material Variances (>= +/- 5%) |
|--|----------------------------|--------------------------|----------------------------------|---|
| Asset Acceptance | | | | |
| h. Responses on Development Applications referred from the Environment, Planning and Sustainable Development Directorate completed within agreed timeframes ⁶ | 85% | 92% | 8% | Above target result is mainly due to improved business performance as referred applications are generally able to be reviewed and progressed on receipt without the need for further follow-up. |
| i. Respond to developers submissions within adopted timeframes ⁷ | 85% | 64% | (25%) | Lower than targeted result is mainly due to increasing complexity of submissions associated with urban infill developments and staff turnover. |
| The above Accountability Indicators should be read in conjunction with the accompanying notes. | | | | |

Explanation of Accountability Indicators

- ¹ Territorial roads are sealed major roads that have the principal function of an avenue for movements linking town centres and suburbs. Territorial roads are defined as NAAASRA (National Association of Australian State Road Authorities) Class 1,2,3 and 6. This indicator is measured using an industry standard survey that assesses one third of the territorial road network annually.
- ² Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Directorate. The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads and community paths), waste collection, parks and open spaces, and public transport. The response is collected through a telephone survey over a period of four weeks. The respondents are asked to rate services across four ratings which were "Very Satisfied", "Satisfied", "Dissatisfied" and "Very Dissatisfied". Minimum sample size for this survey is 1,000.
- ³ SM1600 standard is a theoretical loading designated by Australian Standards 5100:2004 Bridge Design which should ensure that bridges can carry future vehicle loadings.
- ⁴ Increases in community paths are measured using the date the 'works as executed' drawings are submitted and registered.
- ⁵ The indicator refers to the length of cycle lanes in the network that meet the current standard width requirements. Increases in cycle lanes are measured using the date the 'works as executed' drawings are submitted and registered.
- ⁶ Agreed timeframe is 15 working days.
- ⁷ Adopted timeframe is 20 working days.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

| Transport Canberra and City Services Directorate Statement of Performance For the Year Ended 30 June 2021 | | | | |
|---|----------------------------|--------------------------|----------------------------------|---|
| Output Class 2: City Services Output 2.2: Library Services Description: Provision of library services to the community through the Libraries ACT's branches, home library service, the ACT Virtual Library and the Heritage Library. | | | | |
| | Original Target 2020-21 | Actual Result 2020-21 | Variance from Original Target | Explanation of Material Variances (>= +/- 5%) |
| TOTAL COST (\$'000) | \$22,464 | \$22,048 | (2%) | |
| CONTROLLED RECURRENT PAYMENTS (\$'000) | \$17,675 | \$17,890 | 1% | |
| Accountability Indicators | | | | |
| a. Physical visits to libraries per capita ¹ | 5.0 | 2.7 | (46%) | Lower than targeted result is mainly due to the impacts of the COVID-19 pandemic including: (1) reduced building capacity limits in libraries due to social distancing requirements; (2) closure of community rooms from July 2020 to April 2021; and (3) substantial reduction in face-to-face programs in line with the ACT Government health and safety advice. |
| b. Items borrowed per capita ^{1,2} | 7.5 | 4.8 | (36%) | Lower than targeted result is mainly due to the impacts of the COVID-19 pandemic including: (1) reduced visitor numbers and physical loans due to social distancing requirements; (2) closure of community rooms from July 2020 to April 2021; and (3) substantial reduction in face-to-face programs in line with the ACT Government health and safety advice which resulted in reduced visitor numbers and the use of physical loans. |
| c. Percentage of population who are registered library members ³ | 55% | 44% | (20%) | Lower than targeted result is mainly due to the: (1) requirement for library memberships to be re-established since the introduction of the new library management system in 2019; and (2) the impact of the COVID-19 pandemic on the use of libraries including temporary closures and reduced services. |
| d. Customer satisfaction with library services ⁴ | 90% | 95% | 6% | Higher than targeted results are mainly due to additional measures including additional digital resources, online memberships and technological support being implemented. |
| e. Direct cost of public library services per capita ¹ | \$35.50 | \$36.64 | 3% | |
| f. Percentage of library collection purchased in previous five years | 60% | 64% | 7% | Higher than targeted result is mainly due to removal of large amount of aged items from the collection that were replaced during the year. |
| g. Number of hours assisting client research in the ACT Heritage Library | 900 | 491 | (45%) | Lower than targeted result is mainly due to: (1) the effect of the COVID-19 pandemic on the visitations to the ACT Heritage Library; and (2) increased digitisation of the ACT Heritage Library collection materials has allowed unmediated use of the collection online without the need for assisted research. |

Transport Canberra and City Services Directorate
Statement of Performance
For the Year Ended 30 June 2021

Output Class 2: City Services
Output 2.2: Library Services
Description: Provision of library services to the community through the Libraries ACT's branches, home library service, the ACT Virtual Library and the Heritage Library.

| | Original Target 2020-21 | Actual Result 2020-21 | Variance from Original Target | Explanation of Material Variances (>= +/- 5%) |
|--|----------------------------|--------------------------|----------------------------------|--|
| h. Percentage of participants with a learning outcome from library programs ⁵ | 90% | Not measured | N/A | Due to COVID-19 restrictions and associated health and safety advice, paper surveys were not undertaken during the limited number of face-to-face programs run in library branches during the reporting period. As such no customer survey results can be provided. The Directorate is investigating options for implementation of electronic surveys during 2021-22 financial year. |
| The above Accountability Indicators should be read in conjunction with the accompanying notes. | | | | |

Explanation of Accountability Indicators

- ¹ The 2020-21 target is based on an ACT population of 435,800.
- ² This includes physical loans as well as digital loans.
- ³ The 2020-21 target is based on an ACT population of 435,800 with 55 per cent of the population representing approximately 239,690 library members. Registered library members include people from the ACT and the surrounding NSW region.
- ⁴ Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Directorate. The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads and community paths), waste collection, parks and open spaces, and public transport. The response is collected through a telephone survey over a period of four weeks. The respondents are asked to rate services across four ratings which were "Very Satisfied", "Satisfied", "Dissatisfied" and "Very Dissatisfied". Minimum sample size for this survey is 1,000. The survey includes public libraries only and does not include the Virtual and Heritage Libraries.
- ⁵ Library programs and events offer people opportunities to learn and link them to library resources to further their learning and use of the library. The result of this indicator is measured through a survey completed by the participants.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

| Transport Canberra and City Services Directorate Statement of Performance For the Year Ended 30 June 2021 | | | | | |
|---|----------------------------|--------------------------|----------------------------------|--|--|
| Output Class 2: City Services | | | | | |
| Output 2.3: Waste and Recycling | | | | | |
| Description: Provision of domestic waste, recyclables and green waste collection services, operation of resource management and recycling centres, development of waste policy, and implementation and evaluation of waste management programs. | | | | | |
| | Original Target 2020-21 | Actual Result 2020-21 | Variance from Original Target | Explanation of Material Variances (>= +/- 5%) | |
| TOTAL COST (\$'000) | \$67,150 | \$63,076 | (6%) | Lower than targeted result is mainly due to: (1) lower than anticipated take-up of bulky waste collections; (2) delayed remediation of West Belconnen Resource Management Centre; and (3) lower than anticipated costs in relation to waste collection contracts. | |
| CONTROLLED RECURRENT PAYMENTS (\$'000) | \$45,528 | \$45,824 | 1% | | |
| Accountability Indicators | | | | | |
| a. Annual tonnes of waste to landfill per head of population ¹ | 0.50 | 0.54 | 8% | Higher than targeted result is mainly due to the increased disposal of asbestos contaminated material. | |
| b. Annual total resource recovery tonnage per head of population ¹ | 1.5 | 1.6 | 7% | Higher than targeted result is mainly due to the higher resource recovery from increased activity related to: (1) the green waste - associated with earlier roll-out of the green waste initiative to all households; and (2) construction and demolition activities associated with capital projects. | |
| c. Percentage of material recovered from the total waste stream | 75% | 75% | 0% | | |
| d. Percentage of customers satisfied with waste collection services ² | > 90% | 90.0% | (100%) | At 90% the customer satisfaction with waste and recycling services is below the target of > 90%. The customer survey identified the following main areas of dissatisfaction: (1) preference for more frequent collections; (2) delayed or missed collections; (3) inconsiderate driver behaviour; and (4) disruption to normal services caused by industrial action. | |
| e. Contract cost of landfilling waste per tonne | \$19.00 | \$18.29 | (4%) | | |
| f. Annual cost of domestic household waste collection services per head of population ¹ | \$21.25 | \$22.40 | 5% | Higher than targeted result is mainly due to the unbudgeted operational costs of temporary drop off centres, which were required as a result of industrial action that affected kerbside waste collection services. | |
| g. Annual cost of domestic household recycling collection services per head of population ¹ | \$12.10 | \$12.03 | (1%) | | |

Transport Canberra and City Services Directorate
Statement of Performance
For the Year Ended 30 June 2021

Output Class 2: City Services
Output 2.3: Waste and Recycling
Description: Provision of domestic waste, recyclables and green waste collection services, operation of resource management and recycling centres, development of waste policy, and implementation and evaluation of waste management programs.

| | Original Target 2020-21 | Actual Result 2020-21 | Variance from Original Target | Explanation of Material Variances ($\geq \pm 5\%$) |
|--|----------------------------|--------------------------|----------------------------------|--|
| h. Number of mattresses diverted from landfill | 37,000 | 44,870 | 21% | Higher than targeted result is mainly due to: (1) an increase of households self-disposing of mattresses to the Mugga Lane and Mitchell Resource Management Centres as people continue to clear out excess items during the COVID-19 pandemic; and (2) an increase associated with the launch of the kerbside Bulky Waste program. |
| i. Container redemption rate (in relation to the Container Deposit Scheme) ³ | 60% | 61% | 2% | |
| The above Accountability Indicators should be read in conjunction with the accompanying notes. | | | | |

Explanation of Accountability Indicators

- ¹ The 2020-21 target is based on an ACT population of 435,800 and Queanbeyan population of 41,200.
- ² Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Directorate. The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, and street signs), waste collection, parks and open spaces, and public transport. Minimum sample size for this survey is 1,000.
- ³ This indicator measures the maximum number of eligible containers recovered and recycled under the Scheme.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

Transport Canberra and City Services Directorate
Statement of Performance
For the Year Ended 30 June 2021

Output Class 2: City Services

Output 2.4: City Maintenance and Services

Description: Planning and management of the Territory's parks and urban open space system including associated community infrastructure, maintaining the look and feel of the city, and managing the urban forest and sportsgrounds facilities. The Directorate also provides advice, education and compliance services in relation to municipal ranger functions, domestic animal management, plant and animal licensing and significant tree protection. This output also includes Yarralumla Nursery and Birrigai.

| | Original Target 2020-21 | Actual Result 2020-21 | Variance from Original Target | Explanation of Material Variances (>= +/- 5%) |
|---|----------------------------|--------------------------|----------------------------------|--|
| TOTAL COST (\$'000) | \$142,762 | \$147,742 | 3% | |
| CONTROLLED RECURRENT PAYMENTS (\$'000) | \$92,120 | \$91,854 | (0%) | |
| Accountability Indicators | | | | |
| a. Percentage of customers satisfied with the management of sportsgrounds ¹ | 85% | 87% | 2% | |
| b. Number of dogs processed by the Domestic Animal Shelter | 1,100 | 845 | (23%) | Lower than targeted result is mainly due to a reduction in the number of impounded dogs as a result of: (1) the continuation of indirect benefits of the COVID-19 pandemic as working from home has enabled pet owners to provide better care for their dogs and increased availability to collect dogs prior to being impounded; and (2) the implementation of the <i>Responsible Pet Ownership</i> marketing campaign - an education strategy that aims to influence pet management contributing to less dogs roaming or being lost. |
| c. Percentage of saleable stray and abandoned dogs re-homed | 90% | 98% | 9% | Higher than targeted result is mainly due to Domestic Animal Services staff efforts to re-home dogs or to re-unite them with their owners under control orders as part of the "Engage, educate, enforce" approach to compliance. |
| d. Remove abandoned vehicles on unleased land within nine calendar days | 100% | 75% | (25%) | 55 vehicles were not removed within the required timeframe. Six (6) out of 55 vehicles experienced delays by the contracted towing provider; three were due to delays by hospital staff confirming whether vehicles parked in their multilevel car park belonged to staff or long term patients; with the remainder due to disruptions caused by the COVID-19 pandemic, staff capacity and prioritisation of other public safety matters. |
| e. Response and collection of 'sharps' on unleased land within 4 hours | 100% | 98% | (2%) | |
| f. Annual operating cost per hectare of actively maintained park land is less than benchmarked median across Australia ² | < \$16,984 | \$13,019 | - | |
| Yarralumla Nursery | | | | |
| g. Plant spoilage within industry standard | < 10% | 3% | - | |

The above Accountability Indicators should be read in conjunction with the accompanying notes.

| | |
|---|---|
| <p>Transport Canberra and City Services Directorate Statement of Performance For the Year Ended 30 June 2021</p> | |
| <p>Output Class 2: City Services</p> <p>Output 2.4: City Maintenance and Services</p> <p>Description: Planning and management of the Territory's parks and urban open space system including associated community infrastructure, maintaining the look and feel of the city, and managing the urban forest and sportsgrounds facilities. The Directorate also provides advice, education and compliance services in relation to municipal ranger functions, domestic animal management, plant and animal licensing and significant tree protection. This output also includes Yarralumla Nursery and Birrigai.</p> | <p>Explanation of Accountability Indicators</p> <p>¹ Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Directorate. The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, and street signs), waste collection, parks and open spaces, and public transport. Minimum sample size for this survey is 1,000.</p> <p>² This indicator is benchmarked against other Councils across Australia and is supported by the Yardstick Park Benchmarks report.</p> <p>The above Accountability Indicators were examined by the ACT Audit Office in accordance with the <i>Financial Management Act 1996</i>. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the <i>Financial Management (Statement of Performance Scrutiny) Guidelines 2019</i>.</p> |

| |
|--|
| <p align="center">Transport Canberra and City Services Directorate Statement of Performance For the Year Ended 30 June 2021</p> |
|--|

| |
|--|
| <p>Output Class 2: City Services Output 2.5: Capital Linen Service Description: Capital Linen Service provides a managed linen service to a range of customers including public and private hospitals, health and aged care providers, hotels, restaurants, major tourist attractions, educational institutions and emergency services.</p> |
|--|

| | Original Target 2020-21 | Actual Result 2020-21 | Variance from Original Target (5%) | Explanation of Material Variances (≥ ± 5%) |
|--|----------------------------|--------------------------|--|---|
| TOTAL COST (\$'000) | \$15,207 | \$14,501 | | Lower than targeted result mainly relates to reduction in linen services provided due to the COVID-19 pandemic. |
| Accountability Indicators | | | | |
| a. Retain certification of Quality Management System Standard AS/NZS ISO 9001 | 100% | 100% | 0% | |
| b. Percentage of all linen items ordered delivered in full ¹ | 98.6% | 99.8% | 1% | |
| The above Accountability Indicators should be read in conjunction with the accompanying notes. | | | | |

Explanation of Accountability Indicators

¹ This indicator measures the performance of the services being provided.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost measure was not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of Transport Canberra Operations for the year ended 30 June 2021.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2021 are not in agreement with Transport Canberra Operations' records or do not fairly reflect, in all material respects, the performance of Transport Canberra Operations, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

Transport Canberra Operations' responsibilities for the statement of performance

The Director-General of the Transport Canberra and City Services Directorate is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of Transport Canberra Operations.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with Transport Canberra Operations' records or do not fairly reflect, in all material respects, the performance of Transport Canberra Operations, in accordance with the *Financial Management Act 1996*.

In a limited assurance engagement, I perform procedures such as making inquiries with representatives of Transport Canberra Operations, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by Transport Canberra Operations.



Ajay Sharma

Assistant Auditor-General, Financial Audit

21 September 2021

**Transport Canberra Operations
Statement of Performance
For the Year Ended 30 June 2021**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with Transport Canberra Operations' records and fairly reflects the service performance of the Transport Canberra Operations for the year ended 30 June 2021 and also fairly reflects the judgements exercised in preparing it.



Alison Playford
Director-General
Transport Canberra and City Services Directorate

21 September 2021

| Transport Canberra Operations Statement of Performance For the Year Ended 30 June 2021 | | | | |
|--|----------------------------|--------------------------|----------------------------------|--|
| Output Class 1: Transport Canberra Operations Output 1.1: Transport Canberra Operations Description: Transport Canberra Operations includes the provision of an integrated public transport network and school bus services, including a range of rapid and regular route services within Canberra suburbs. Transport Canberra Operations also provides special needs transport, flexible transport, and a bus charter service. | | | | |
| | Original Target 2020-21 | Actual Result 2020-21 | Variance from Original Target | Explanation of Material Variances (>= +/- 5%) |
| TOTAL COST (\$'000) | \$260,307 | \$273,041 | 5% | Higher than targeted result is mainly due to one off expensing of costs transferred from Major Projects Canberra relating to finalisation of light rail construction that did not meet the asset recognition criteria under the Australian Accounting Standards. |
| SERVICE PAYMENTS FROM TRANSPORT CANBERRA AND CITY SERVICES DIRECTORATE (\$'000) | \$198,936 | \$194,641 | (2%) | |
| Accountability Indicators | | | | |
| Light Rail | | | | |
| a. Light rail Passenger Service Availability ¹ | 99.5% | 100.0% | 1% | |
| b. Customer satisfaction with light rail services as assessed by passenger survey ² | 85% | 91% | 7% | Higher than targeted result is mainly due to the positive customer experience travelling on light rail. There is a general perception of convenience, cleanliness, reliable and frequent service and many respondents have expressed their wish to see the network expanded. |
| Public Transport Passenger Boardings | | | | |
| c. Public transport passenger boardings ³ | 19.9m | 15.1m | (24%) | Lower than targeted result is due to fewer passengers using public transport because of the ongoing COVID-19 pandemic. |
| Bus Operations | | | | |
| d. Customer satisfaction with bus operations services as assessed by passenger survey ² | 85% | 78% | (8%) | Lower than targeted result is mainly due to the ongoing impact of network changes implemented in 2019, particularly in the area of south Canberra. This is being addressed in the updated network for 2022. |
| e. Percentage of in service fleet fully compliant with standards under the <i>Disability Discrimination Act</i> 1992 ⁴ | 86% | 93% | 8% | Higher than targeted result is mainly due to increased number of <i>Disability Discrimination Act</i> (DDA) compliant replacement buses during the financial year, resulting in retirement of non-DDA compliant buses. |
| f. Percentage of in service fleet Euro 5 or better emission standard compliant ⁵ | 67% | 73% | 9% | Higher than targeted result is mainly due to increased number of Euro VI emission standard compliant replacement buses during the financial year, resulting in retirement of non-compliant buses. |
| g. Service reliability – percentage of all scheduled services which operated to completion | 99.5% | 98.8% | (1%) | |

**Transport Canberra Operations
Statement of Performance
For the Year Ended 30 June 2021**

Output Class 1: Transport Canberra Operations

Output 1.1: Transport Canberra Operations

Description: Transport Canberra Operations includes the provision of an integrated public transport network and school bus services, including a range of rapid and regular route services within Canberra suburbs. Transport Canberra Operations also provides special needs transport, flexible transport, and a bus charter service.

| | Original Target 2020-21 | Actual Result 2020-21 | Variance from Original Target | Explanation of Material Variances ($\geq \pm 5\%$) |
|--|----------------------------|--------------------------|----------------------------------|---|
| h. Percentage of services operating on scheduled time ⁶ | 75% | 78% | 4% | |
| i. Total network operating cost per network kilometre ⁷ | \$5.88 | \$6.01 | 2% | |
| The above Accountability Indicators should be read in conjunction with the accompanying notes. | | | | |

Explanation of Accountability Indicators

- 1 Availability of light rail for passengers services is measured by comparing the number of scheduled services against the number of services that were delivered.
- 2 Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of the Directorate. The survey seeks customer views on the Directorate's core service delivery responsibilities including library services, infrastructure services (including roads, community paths, traffic lights, and street signs), waste collection, parks and open spaces, and public transport. Minimum sample size for this survey is 1,000.
- 3 This indicator measures the patronage number for buses and light rail.
- 4 The DDA details the accessibility specifications of a bus required to achieve compliance. The Act requires full compliance by 2022.
- 5 Euro emission standards define the acceptable limits for exhaust emissions of vehicles.
- 6 Operating on scheduled time describes a bus service that departs a stop that is a designated timing point between one minute earlier and four minutes later than the scheduled time. GPS technology attached to the MyWay system is used to measure this indicator. Only scheduled services that operated successfully are measured.
- 7 Network operating costs per kilometre measure the cost and kilometres directly attributable to the operation of Transport Canberra Operations' bus network route.

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Service Payments from Transport Canberra and City Services Directorate measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*.



Part 3

REPORTING BY EXCEPTION

DANGEROUS SUBSTANCES

Nil to report under Part 3.

MEDICINES, POISONS & THERAPEUTIC GOODS

Nil to report under Part 3.



Part 4

AGENCY SPECIFIC ANNUAL REPORTING REQUIREMENTS

PUBLIC LAND MANAGEMENT PLANS

Section 321 of the [Planning and Development Act 2007](#) (the P & D Act) requires the Directorate to prepare land management plans for areas of public land for which it is the custodian.

The management objectives for an area of public land reserved for a particular purpose are stated in Schedule 3 of the P & D Act. A land management plan identifies the area and describes how the management objectives for the area are to be implemented or promoted.

TCCS is responsible for the Plans of Management (now referred to as land management plans under the P & D Act) in the table below, which were made under the [Land \(Planning and Environment\) Act 1991 \(repealed\)](#) and are taken to be land management plans under the P & D Act.

A revised draft Urban Lakes and Ponds Land Management Plan has been prepared by the Environment, Planning and Sustainable Development Directorate with TCCS input and underwent public consultation in early 2020. The final Urban Lakes and Ponds Land Management Plan is anticipated to be publicly released in late 2021.

The remaining Plans are currently being reviewed.

Table 27: TCCS Public Management Plans as at 30 June 2021

| Land Management | Status | Year of Approval | Access |
|--|----------------|------------------|---|
| Woden and Weston Creek's Urban Parks and Sportsgrounds | Approved final | 1998 | https://www.legislation.act.gov.au/di/1998-242/default.asp |
| Belconnen's Urban Parks, Sportsgrounds and Lake Ginninderra | Approved final | 1998 | https://www.legislation.act.gov.au/di/1998-242/default.asp |
| Inner Canberra's Urban Parks and Sportsgrounds | Approved final | 2000 | https://www.legislation.act.gov.au/di/2000-143/default.asp |
| Tuggeranong's Urban Parks and Sportsgrounds | Approved final | 2000 | https://www.legislation.act.gov.au/di/2000-143/default.asp |
| Canberra's Urban Lakes and Ponds | Approved final | 2001 | https://www.legislation.act.gov.au/di/2007-298/default.asp |
| Urban Open Space and Public Access Sportsgrounds in the Gungahlin Region | Approved final | 2006 | https://www.legislation.act.gov.au/di/2007-298/default.asp |



Part 6

PUBLIC INTEREST DISCLOSURE

PUBLIC INTEREST DISCLOSURE

The Public Sector Standards Commissioner has published guidelines to explain and support how the ACT Public Service and other public sector entities covered by the [ACT Public Interest Disclosure Act 2012](#) deal with disclosures. Transport Canberra and City Services adopted the [Public Interest Disclosure Guidelines 2019 \(Commissioner's Guidelines\)](#) as its procedures when dealing with public interest disclosures (PID).

In June 2021 the ACT Integrity Commission released the [Integrity Commission \(Managing and Conducting Investigations\) Guidelines 2021](#). TCCS will adopt these guidelines as its procedure for managing PID's in 2021-22.

TCCS provides staff with PID information including what constitutes a disclosure, what action the Directorate must take on receipt of a PID, and the nominated Designated Disclosure Officers via a factsheet which is accessible via the TCCS intranet.

Information on the management of PIDs, identifying the TCCS Senior Executive Responsible for Business Integrity Risk (SERBIR) and Designated Disclosure Officers is also communicated to staff through online and face-to-face Fraud and Ethics Awareness modules, core modules of the TCCS Staff Induction program.

In line with requirements of the [ACT Public Interest Disclosure Act 2012](#), TCCS has appointed the Executive Branch Manager, Governance and Ministerial Services as the nominated person to receive and manage Public Interest Disclosures for the Directorate. TCCS has also appointed the following positions as Designated Disclosure Officers:

- > Chief Operating Officer;
- > Executive Branch Manager, People and Capability;
- > Executive Branch Manager, Legal and Contracts;
and
- > Senior Director, Employee Relations.

TCCS has developed a suite of documents to support the SERBIR and Designated Disclosure Officers step through the PID process, record decisions made, and ensure compliance with the requirements of the [ACT Public Interest Disclosure Act 2012](#).

TCCS received two disclosures under the PID Act in 2020-21. An initial investigation into each of the matters was undertaken with the following outcomes:

- > Matter 1 – Claim validity was assessed against the PID criteria and determined not to constitute a Public Interest Disclosure. The matter was subsequently closed.
- > Matter 2 - Claim validity was assessed against the PID criteria and determined not to constitute a Public Interest Disclosure. The matter was subsequently closed.



APPENDIX 1

SUBSUMED REPORTS

ACT VETERINARY PRACTITIONERS BOARD

ACT Veterinary Practitioners Board

The ACT Veterinary Practitioners Board (the Board) is a statutory board established under the [Veterinary Practice Act 2018](#) (the Act) which came into effect 21 December 2018.

The Board has a broad range of responsibilities that are established under Section 91 of the Act. These include:

- > registering veterinary practitioners and veterinary premises;
- > investigating complaints against veterinary practitioners;
- > conducting, on the Board's own initiative, investigations of veterinary practitioners;
- > taking disciplinary action against veterinary practitioners;
- > enforcing this Act, including taking proceedings for offences against this Act;
- > developing codes of professional conduct for veterinary practitioners;
- > setting standards for premises;
- > cooperating with other jurisdictions in Australia and New Zealand to further a common and harmonious approach to the administration of legislation relating to veterinary practitioners;
- > giving information to the veterinary profession relating to continuing education issues, developments in the field of veterinary science and disciplinary matters;
- > giving general advice to consumers of veterinary services in relation to the ethics and standards of professional competence generally expected of veterinary practitioners;
- > giving advice to the Minister in relation to any other matter related to the administration of this Act;
- > ensuring the professional development of veterinary practitioners, including by implementing requirements for continuing professional development of veterinary practitioners;
- > approving educational and training courses related to professional qualifications for veterinary practitioners; and

- > liaising with, and if the Board considers it appropriate, becoming a member of, professional organisations concerned with veterinary science.

The Board comprises seven members, all appointed by the Minister for Transport and City Services. With the exception of the community representative and the non-veterinary practitioner, all members are registered veterinary practitioners, with a minimum of three year's registration. Board membership during the reporting period is shown in [Table 29](#) below.

The Board appointed a new Registrar in 2020-21, Mr Greg Haraldson. As Registrar, Mr Haraldson oversees the business coordination and secretariat functions for the Board and is responsible for the management of the Board's affairs.

With the easing of COVID-19 safety issues the Board reintroduced its commitment to the Veterinary Community and reintroduced its communication training evening. The Board ran one free communication evening covering the topic of 'Money in the veterinary-client relationship'. The board was pleased to see a high attendance with over 50 attendees. It is hoped these evenings will be able to resume on a more regular basis.

The Board usually meets on the last Friday of each month with the exception of December, or as noted below. In 2020-21, the Board met on 11 occasions with attendance outlined in [Table 30](#).

Veterinary Practitioner Registrations

As at 30 June 2021, there were 305 registered veterinary practitioners, including specialists, registered in the ACT.

Table 28: Registrants by year

| 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---------|---------|---------|---------|
| 370 | 402 | 304 | 305 |

Under Section 9 of the Act the Board must, within 7 days after the day it makes a decision on an application for registration, advise the applicant of their decision and if approved enter the person's details into the register.

Table 29: Ministerial appointments

| Name | Position on Board | Date Appointed | Appointment Expiry |
|-----------------------|---|-----------------|--------------------|
| Dr Debbie Neutze | President | 1 January 2020 | 31 December 2022 |
| Dr Eloise Koelmeyer | Deputy President and Registered Veterinary Practitioner | 19 October 2017 | 18 October 2021 |
| Dr Peter Gibbs | Registered Veterinary Practitioner | 19 October 2017 | 18 October 2021 |
| Dr Melanie Latter | Registered Veterinary Practitioner | 17 May 2019 | 16 May 2022 |
| Dr Amanda-Lee Charman | Registered Veterinary Practitioner | 15 March 2019 | 14 March 2022 |
| Mr Christopher Headon | Non-Veterinary Practitioner | 15 March 2019 | 14 March 2022 |
| Ms Alison Archer | Community Representative | 1 January 2020 | 31 December 2022 |

Table 30: Board member attendance

| Name | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | March | Apr | May | June |
|-----------------------|------|-----|------|-----|-----|-----|-----|-----|-------|-----|-----|------|
| Dr Debbie Neutze | Y | Y | Y | Y | Y | N/A | Y | Y | Y | Y | Y | Y |
| Dr Eloise Koelmeyer | Y | Y | Y | Y | Y | N/A | Y | Y | Y | Y | Y | Y |
| Dr Peter Gibbs | Y | Y | Y | Y | Y | N/A | Y | Y | Y | Y | Y | Y |
| Dr Melanie Latter | Y | Y | Y | Y | Y | N/A | Y | Y | Y | Y | Y | Y |
| Dr Amanda-Lee Charman | Y | Y | Y | N | Y | N/A | Y | Y | Y | Y | Y | Y |
| Mr Christopher Headon | Y | Y | Y | Y | Y | N/A | Y | Y | Y | Y | Y | Y |
| Ms Alison Archer | Y | Y | Y | Y | Y | N/A | Y | Y | Y | Y | Y | Y |

Veterinary Premises Registrations

At 30 June 2021, there were 39 registered veterinary premises in the ACT.

Table 31: Registered premises by year

| 2018-19 | 2019-20 | 2020-21 |
|---------|---------|---------|
| 38 | 38 | 39 |

Under Section 75 of the Act the Board must, within 7 days after the day it makes a decision on an application for registration of a premises, advise the applicant of their decision and if approved enter the premises details into the register. Two new premises were registered during 2020-21.

Complaints against Veterinary Practitioners

Under the Act the Board is empowered to undertake disciplinary action against a registered veterinarian.

These powers enable the Board to impose a fine of up to \$1,000, impose conditions on a veterinarian's registration, and, if justified, suspend a registration for an interim period prior to taking the veterinary practitioner to the ACT Civil and Administrative Tribunal (ACAT) for an occupational discipline hearing.

The Board expects high standards of professional behaviour from veterinary practitioners in the ACT. This includes maintaining professional standards of practice, professional indemnity insurance and continuing Professional Development (CPD). CPD is compulsory for registered veterinary practitioners

in the ACT and helps to maintain public confidence in the profession as well as assisting veterinary practitioners meet the required standards of practice for ongoing and relevant professional development, consistent with the nature of practice in which they are involved.

The complaints process under the Act has a requirement for joint consideration of complaints with the Human Rights Commission (HRC). It is mandatory for the Board and the HRC to notify each other of complaints received regarding veterinary practitioners. The HRC, through the complaints process, can provide a conciliatory service between the complainant and the veterinary practitioner. This process allows reciprocal management of veterinary complaints that ensures support is available to both complainants and veterinary practitioners going through the process.

During the 2020-21 financial year the Board received nine new complaints and an additional two were carried over from previous years. Over the year, 10 were resolved, with one not proceeding, and one remains under investigation.

Veterinary Practitioner Board Finances

The Board is not a Territory Authority for the purposes of the Financial Management Act 1996. The Board is self-funded and contributes 50 per cent to TCCS for costs incurred in the provision of the secretariat function. The Board's finances are also managed by TCCS on the Board's behalf and are subject to audit by the ACT Audit Office.

Table 32: Cash at bank as at 30 June 2021

| Cash flow | \$ |
|---|----------------|
| Cash at Bank Balance 1 July 2020 (as per the reported closing cash at bank balance in the 2019-20 Annual Report) | 450,510 |
| Cash Inflows 2020-21 | 143,256 |
| Cash Outflows 2020-21 | 160,265 |
| Cash at Bank Balance 30 June 2021 | 433,501 |

The Board reported a deficit of \$17,009.38 for the year ended 30 June 2021. The primary reason for this deficit related to expenses from previous financial year processed but not physically paid from the bank account until July 2020. As the Board report on a cash basis these transactions were accounted for in the current reporting period.

The Board's finances underwent a financial audit this year by the ACT Auditor-General's Office with the associated report provided at [Annexure A](#).

Australasian Veterinary Boards Council (AVBC)

The Board has continued to maintain its membership of the Australasian Veterinary Boards Council (AVBC) and is an active contributor in the discussion and development of the veterinary profession within Australia and New Zealand. Dr Peter Gibbs continued to be the ACT representative on the AVBC in 2020-21 and was recently elected as the President of the AVBC.

The AVBC meets regularly via teleconference throughout the year with the usual face to face Annual General Meeting (AGM) also being conducted via videoconference this year. The AGM is attended by State, Territory and New Zealand Board representatives and Registrar's to discuss issues of national interest to the veterinary profession. The annual registrar's meeting was conducted via teleconference and was attended by the ACT Registrar, Mr Greg Haraldson.

COVID-19

The veterinary profession has faced a wide variety of challenges, changes and uncertainty during 2020-21 as a result of the worldwide COVID-19 pandemic. Veterinary clinics remained open to provide essential veterinary services to the community and the Board has worked hard to try and support the profession during this time.

The Board's priority is the health and safety of the veterinary community. The Board made available a variety of fact sheets and guidance material to assist practitioners and veterinary premises when making decisions around COVID-19 and to provide guidance on maintaining personal safety whilst still providing the best care and services to patients.

The Board's website was updated to include links to support services and key relevant information from other peak veterinary bodies. The Board also released a new telemedicine policy as a helpful tool to provide guidance to practitioners during COVID-19. This policy allows a veterinary practitioner to use telemedicine to authorise medicines using patients histories and/or recent visits to the premises. The policy aimed to in assist premises protect the safety of veterinarians, staff and the wider public whilst continuing to provide an acceptable level of care to protect the welfare of animals.

Annual General Meeting

Under Section 92 of the Act, the Board must hold an Annual General meeting of the veterinary profession. Under the [Veterinary Practice Regulation 2018](#) (the Regulation) the meeting is to be scheduled within four months after the end of the financial year.

The Board held its Annual General Meeting for the year 2019-20 on 13 October 2020. The Board is currently organising its Annual General Meeting for 2020-21. As with the prior years, all registered veterinary practitioners will be invited to attend the meeting once details have been confirmed.

All veterinary practitioners will be provided copies of the following documents at the meeting:

- > The agenda for the meeting;
- > a copy of a report of the activities of the Board for the financial year prepared by the President;
- > a copy of a report for the financial year prepared by the president on the following:
 - the fees payable by veterinary practitioners under the Act;
 - any increases in fees that have been proposed by the Board; and
 - any remuneration paid or payable to members of the Board.

Further information may be obtained from the Registrar:

ACT Veterinary Practitioners Board, GPO Box 158
Canberra ACT 2601

E: TCCS.vetboard@act.gov.au

T: (02) 6207 0012.



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

INDEPENDENT AUDITOR'S REPORT ACT VETERINARY PRACTITIONERS BOARD

To the Members of the ACT Veterinary Practitioners Board

Opinion

I have audited the special purpose financial statements (financial statements) of the ACT Veterinary Practitioners Board (Board) for the year ended 30 June 2021 which comprise the statement of receipts and payments, cash flow statement and accompanying notes.

In my opinion, the financial statements:

- (i) present fairly, in all material aspects, the Board's receipts and payments and its cash flows for the year ended 30 June 2021; and
- (ii) are presented in accordance with the basis of preparation described in Note 1(B) of the financial statements.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Board in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of preparation

The financial statements have been prepared to meet the needs of the Board members. I draw attention to Note 1(B): 'Basis of preparation' of the financial statements which describes the basis of accounting used in the preparation of the financial statements.

The Board has determined that the basis of preparation is appropriate to meet its financial reporting requirements. As a result, these financial statements may not be suitable for other purposes. My opinion is not modified in respect of this matter.

Responsibilities for preparing and fairly presenting the financial statements

The Board is responsible for:

- determining the accounting policies and basis of accounting used in the preparation of the financial statements;

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- preparing and fairly presenting the financial statements in accordance with the basis of accounting described in Note 1(B) of the financial statements; and
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud.

Auditor's responsibilities for the audit of the financial statements

I am responsible for issuing an auditor's report that includes an independent audit opinion on the financial statements of the Board.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of the audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identified and assessed the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal controls;
- obtained an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Board's internal controls;
- evaluate the appropriateness of accounting policies used to prepare the financial statements and related disclosures made in the financial statements; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.



Ajay Sharma
Assistant Auditor-General, Financial Audit
16 August 2021



VETERINARY PRACTITIONERS BOARD

AUSTRALIAN CAPITAL TERRITORY

STATEMENT BY THE ACT VETERINARY PRACTITIONERS BOARD

In the Board's opinion the special purpose financial statements (financial statements) comprising the statement of receipts and payments, cash flow statement and attached notes as set out on pages 1 to 3, present fairly the financial operations of the ACT Veterinary Practitioners Board for the year ended 30 June 2021.

In the Board's opinion, the attached financial statements are prepared in accordance with the accounting policies outlined in Note 1 (B) Basis of Preparation and is based on proper accounts and records.

This declaration is made in accordance with a resolution of the ACT Veterinary Practitioners Board and is signed for and on behalf of the Board by:

Dr Debbie Neutze

President

ACT Veterinary Practitioners Board

11 August 2021

Mr Greg Haraldson

A/g Registrar

ACT Veterinary Practitioners Board

11 August 2021

ACT Veterinary Practitioners Board
Special Purpose Financial Statements
For The Year Ended 30 June 2021

| ACT Veterinary Practitioners Board Statement of Receipts and Payments for the year ended 30 June 2021 | |
|--|--------------------|
| Account Description | 2021 |
| | (\$) |
| Veterinary Practitioners Board Fees | 136,358.54 |
| Fines | 1,600.00 |
| Bank Account Interest | 4,156.22 |
| Total Receipts | 142,114.76 |
| Salaries and Wages | 63,796.26 |
| Superannuation (including Board Members superannuation) | 14,688.97 |
| Board Fees | 60,186.69 |
| Meeting and Board Costs (No Fringe Benefits Tax (FBT)) | 1,149.09 |
| Other Professional Fees | 1,000.00 |
| Memberships and Associations | 10,592.68 |
| Inspections | 3,090.20 |
| Training | 4,073.08 |
| Net GST | 27.05 |
| Bank Fees and Charges - General | 518.78 |
| Other | 1.34 |
| Total Payments | 159,124.14 |
| Net payments for the year | (17,009.38) |

ACT Veterinary Practitioners Board
Cash Flow Statement for the year ended 30 June 2021

| Account Description | 2021 (\$) |
|---|--------------------|
| Cash at Bank Balance at 1 July 2020 | 450,510.16 |
| Cash Flows from Operating Activities | |
| Receipts | |
| Veterinary Practitioners Board Fees | 136,358.54 |
| Fines | 1,600.00 |
| Bank Account Interest | 4,156.22 |
| GST Inflows | 1,141.34 |
| Total Receipts from Operating Activities | 143,256.10 |
| Payments | |
| Salaries and Wages | 63,796.26 |
| Superannuation (including Board Members superannuation) | 14,688.97 |
| Board Fees | 60,186.69 |
| Meeting and Board Costs (No FBT) | 1,149.09 |
| Other Professional Fees | 1,000.00 |
| Memberships and Associations | 10,592.68 |
| Inspections | 3,090.20 |
| Training | 4,073.08 |
| Bank Fees and Charges - General | 518.78 |
| Other | 1.34 |
| GST Outflows | 1,168.39 |
| Total Payments from Operating Activities | 160,265.48 |
| Net Cash Outflows from Operating Activities | (17,009.38) |
| Cash and Cash Equivalents at 30 June 2021 | 433,500.78 |

The significant accounting policies adopted in the preparation of the financial statements are set out below:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are special purpose financial statements and have been prepared to meet the needs of the ACT Veterinary Practitioners Board members.

(A) REPORTING ENTITY

The ACT Veterinary Practitioners Board (the Board) is a statutory board established under the *Health Professionals Act 2004*.

(B) BASIS OF PREPARATION

The special purpose financial statement has been prepared on a cash accounting basis. On this basis, receipts are recognised when received rather than earned, and payments are recognised when paid rather than incurred. The financial statement is presented in Australian dollars and values are rounded to the nearest cent.

(C) COMPARATIVE FIGURES

Comparative figures have not been disclosed for the 2019-20 financial year.

(D) RECEIPTS

Receipts of the board consists primarily of Veterinary Practitioner registration fees, premises inspection fees and other regulatory related fees. The fees are not subject to the Goods and Services Tax (GST) and are recognised as revenue at the time of receipt.

The Veterinary Practitioners Board bank account is an interest bearing account within the ACT Government banking facility with the Westpac Bank. Interest earned and deposited into the Westpac bank account is recognised as interest received at the time the deposit is made into the Westpac bank account.

(E) PAYMENTS

Payments of the board are subject to the Goods and Services Tax, and are recognised as expenditure at the time of payment from the bank account.

(F) TAXATION

The ACT Veterinary Practitioners Board is not subject to income tax under Division 1AB of the *Income Tax Assessment Act 1936*. The amount of GST recoverable or payable at 30 June 2021 is included as part of receipts or payments.

ANIMAL WELFARE AUTHORITY

Animal Welfare Authority

During 2020-21, TCCS was the ACT Government's lead agency for animal welfare and administered the [Animal Welfare Act 1992](#) (AW Act), which regulates offences such as animal cruelty.

The AW Act has a range of enforcement powers to promote and monitor acceptable standards of care and protect animals from cruelty or welfare offences.

The Executive Group Manager, Territory and Business Services within TCCS is the appointed Animal Welfare Authority for the ACT.

Animal Welfare Advisory Committee

The Animal Welfare Advisory Committee (AWAC) is established under section 109 of the AW Act. The AWAC has several functions set out under the AW Act. These include:

- > to advise the Minister on matters concerning animal welfare legislation;
- > to advise the authority about matters in relation to animal welfare, including animal welfare legislation;
- > to participate in the development of approved codes of practice and mandatory codes of practice;
- > to provide advice to other Territory authorities, and to community bodies, about programs for the improvement of community awareness about animal welfare;
- > to advise the Minister about any other matter relating to animal welfare; and
- > to report annually to the Minister on the committee's activities.

The committee is comprised of 11 members, all appointed by the Minister for Transport and City Services.

During 2020-21, the committee met 12 times and undertook the following activities:

- > Drafted a new Code of Practice for the Welfare of Horses in the ACT;
- > Completed the review of the Australian Animal Welfare Standards and Guidelines for Sheep;
- > Completed the review of the Australian Animal

Welfare Standards and Guidelines for Saleyards and Depots; and

- > Completed the review of the Australian Animal Welfare Standards and Guidelines for Cattle.

The Committee also commenced reviews of several Codes of Practice, and continued work on drafting the first Code of Practice for the Care and Welfare of Small Mammals as Pets in the ACT.

The RSPCA ACT works closely with the ACT Government to promote responsible pet ownership and to educate community members on how to care for their pets. The RSPCA ACT Inspectorate team is essential in providing on the ground information, education, and support to community members.

During its investigations, the team engages with persons of interest to prevent animal cruelty from occurring and, where possible, to offer opportunities for behaviour change. This is done in partnership with the community, who notify RSPCA about animal welfare concerns for investigation.

By educating animal owners about their pet's basic requirements, and encouraging them to seek assistance when necessary, RSPCA ACT aims to facilitate an improvement in animal welfare outcomes.

In 2020-21, the RSPCA ACT received 1,031 cases of complaints or referrals concerning animal welfare. A total of 1,133 investigations were conducted with three prosecutions commencing. Seventeen written or verbal directions were issued. A total of 66 animals were seized or surrendered to the RSPCA ACT as a result of the inspectorate service during the 2020-21 year.

As an ongoing priority, the Animal Welfare Authority will continue to work with the RSPCA to deliver on the Government's commitment to establish the RSPCA in a new facility within this term of government.



APPENDIX 2

**CEMETERIES AND CREMATORIA AUTHORITY
ANNUAL REPORT 2020-21**

About this report

The Transport Canberra and City Services (TCCS) 2020-21 Annual Report is published in one volume containing the report of TCCS and the subsumed reports of the ACT Veterinary Practitioners Board, the Animal Welfare Authority and the Cemeteries and Crematoria Authority.

The contents pages and alphabetical index of this volume will help you navigate to specific information in the report, while the compliance statement lists the annual reporting requirements for 2020-21 and the page numbers where the information appears.

For further information on the Cemeteries and Crematoria Authority please contact:

Chief Executive Officer and Executive Branch
Manager

Cemeteries and Crematoria Authority

PO Box 37

Mitchell ACT 2911

T (02) 6207 0000

E canberramemorialparks@act.gov.au

www.canberramemorialparks.act.gov.au

OR

Deputy Director-General, Transport Canberra and
Business Services

Transport Canberra and City Services Directorate

GPO Box 158

Canberra ACT 2601

T 13 1710

www.tccs.act.gov.au

PART 2A: TRANSMITTAL CERTIFICATE



Mr Chris Steel MLA
Minister for Transport and City Services
ACT Legislative Assembly
London Circuit
CANBERRA CITY ACT 2601

Dear Minister

2020-21 Cemeteries and Crematoria Authority Annual Report

This report has been prepared in accordance with section 6 of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the *Annual Reports (Government Agencies) Directions 2021*.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by the Cemeteries and Crematoria Authority.

I certify that the information in the attached report and information provided for Whole of Government reporting is an honest and accurate account and that all material information on the operations of Transport Canberra and City Services has been included for the period 1 July 2020 to 30 June 2021.

I hereby certify that fraud and prevention has been managed in accordance with Part 2.3 of the *Public Sector Management Standards 2006*.

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the report to the Legislative Assembly within 15 weeks after the end of the reporting year. However, under section 14, the Chief Minister has granted an extension of the time when the report must be presented by you to the Legislative Assembly. The Chief Minister has granted the extension to 02 December 2021.

The annual report must be provided to the Speaker on 02 December 2021 for distribution to each Member of the Legislative Assembly. The annual report must then be tabled in the Legislative Assembly on the next sitting day.

Yours sincerely

Neale Guthrie
Board Chair
Cemeteries and Crematoria Authority
November 2021

Kerry McMurray
Interim Chief Executive Officer
Cemeteries and Crematoria Authority
November 2021

PART 2B: ORGANISATION OVERVIEW AND PERFORMANCE

Organisation Overview

Our Responsibilities

The Cemeteries and Crematoria Authority (the Authority) is an independent statutory authority established under the [Cemeteries and Crematoria Act 2020](#) (the Act) to manage public cemeteries and crematoria effectively and efficiently. Trading as Canberra Memorial Parks it currently manages and operates three public cemeteries at Gungahlin, Woden, and Hall, a public crematorium on the grounds of Gungahlin Cemetery and a Mausoleum on the grounds of Woden Cemetery.

Our Purpose

Manage public cemeteries and crematoria in accordance with the Act.

The main object of the Act is to provide a financially sustainable model for the management of cemeteries and crematoria that recognises, and provides for, the diverse needs of the community.

Our Vision

Everyone has a place for honouring and celebrating life.

Our Mission

We provide world class interment and memorialisation services for our diverse community.

Our Values

- > Respect
- > Excellence
- > Sustainability
- > Trust.

Our Customers and Stakeholders

- > The community;
- > Funeral directors and stonemasons;
- > Suppliers of goods and services;
- > Our Employees; and
- > The ACT Government.

Internal Accountability

The Cemeteries and Crematoria Authority Board (the Board) is responsible to the Minister for Transport and City Services (the Minister) for the good governance and successful operations of the Authority. The Board operates under the Act, the [Financial Management Act 1996](#) and a Charter developed by the Board. The Charter sets out the role, responsibilities and authority of the Board, the Chair, individual directors, and the Chief Executive Officer (CEO) within the ACT Government governance framework.

The Board oversees risk management through a program of internal audits carried out by external specialists. A risk register, which underpins the development of the internal audit program is reviewed by the Audit, Risk and Governance Sub-Committee.

In addition to the Board, Transport Canberra and City Services (TCCS) as a related entity, has administrative oversight and responsibility for the Authority and provides whole-of-government advice via a memorandum of understanding with the Authority including the provision and oversight of the preparation of the financial statements.

Authority employees are members of the ACT Public Service and are managed in accordance with ACT Government and TCCS human resources policies.

Our Structure

The Authority is established under Section 113 of the Act and has a governing Board, under Sections 117 and 118 of the Act, which.

- > has at least six, and not more than 12 members;
- > be sufficiently diverse to carry out its functions; and
- > include at least two members, who in the Minister's opinion, represent the general community and religious denominations.

Members are appointed under sections 117 and 118 of the Act and sections 78 and 79 of the Financial Management Act 1996 (FMA). Members are appointed for fixed terms, generally three-year terms, and may be re-appointed at the discretion of the Minister.

The Chief Executive Officer (CEO) is a Member of the Board, appointed under section 118 of the Act and section 80 of the FMA.

Charter of the Cemeteries and Crematoria Authority

A Board Charter sets out the role, responsibilities and authority of the Board, the Chair, individual directors and the Chief Executive Officer in accordance with Directions and Guidelines from the ACT Government including the Chief Minister and Treasurer.

The Authority engages an Executive Officer who provided secretarial services to the Chief Executive Officer and Board and uses a leading E-Governance tool designed for non-profit boards.

Sub-Committees

Sub-Committees established by the Board are shown in [Table 33](#), Board and Sub-Committee membership in 2020-21 and appointment and expiry dates are shown in [Table 34](#) and Meeting eligibility and attendances are shown in [Table 35](#).

Board and Sub-Committee Meetings

During 2020-21 the Board met on 12 occasions with a further 13 Sub-Committee meetings as detailed in [Table 35](#).

Table 33: Sub-Committees of the Board

| Sub-Committee | Role |
|----------------------------|---|
| Audit, Risk and Governance | To provide recommendations and advice to the Board on risk management activities, including internal audits undertaken by the Authority and the overall risk environment, and provide recommendations on governance. |
| Finance | To provide recommendations and advice to the Board on financial management and activities undertaken by the Authority and incorporates the Business Development Working Group which focuses on stakeholder engagement, reputation management, and marketing activities. |
| Special Projects | To provide recommendations and guidance on major works being undertaken by, or on behalf of, Canberra Memorial Parks. |

Table 34: Board and Subcommittee membership in 2020-21, appointment date and expiry dates

| Name | Board | Audit, Risk & Governance | Finance | Special Projects | Appointed | Expiring |
|-------------------|--------------|--------------------------|---------|------------------|-----------------|----------------|
| Stephen Bartos | Chair | Member | Member | Member | 8 August 2013 | 22 August 2021 |
| Linda Addison | Deputy Chair | Chair | - | Member | 3 August 2016 | 22 August 2021 |
| Georgina McKenzie | Member | - | Chair | Member | 3 August 2016 | 22 August 2021 |
| Neale Guthrie | Member | - | Member | Chair | 3 August 2016 | 22 August 2021 |
| Pamela Burton | Member | - | Member | - | 8 August 2013 | 22 August 2021 |
| Kanti Lal Jinna | Member | - | Member | - | 2 August 2015 | 22 August 2021 |
| Ken Crofts | Member | - | Member | - | 3 August 2016 | 22 August 2021 |
| Sarah Richardson | Member | Member | - | - | 3 August 2016 | 22 August 2021 |
| Nigel Phair | Member | Member | - | - | 3 August 2016 | 22 August 2021 |
| Kara Dunn | Member | Member | Member | Member | 14 October 2019 | 20 July 2020 |
| Philip Shelley | Member | Member | Member | Member | 21 July 2020 | 20 July 2025 |

Table 35: Meeting eligibility and attendances

| Name | Board* | | Audit, Risk & Governance [#] | | Finance [#] | | Special Projects | |
|-------------------|----------|----------|---------------------------------------|----------|----------------------|----------|------------------|----------|
| | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended |
| Stephen Bartos | 12 | 12 | 5 | 4 | 4 | 4 | 4 | 4 |
| Linda Addison | 12 | 12 | 5 | 5 | - | - | 4 | 4 |
| Neale Guthrie | 12 | 12 | - | - | 4 | 4 | 4 | 4 |
| Georgina McKenzie | 12 | 12 | - | - | 4 | 4 | 4 | 3 |
| Pamela Burton | 12 | 12 | - | - | 4 | 4 | - | - |
| Kanti Lal Jinna | 12 | 12 | - | - | 4 | 3 | - | - |
| Ken Crofts | 12 | 12 | - | - | 4 | 3 | - | - |
| Sarah Richardson | 12 | 10 | 5 | 4 | - | - | - | - |
| Nigel Phair | 12 | 12 | 5 | 5 | - | - | - | - |
| Philip Shelley | 11 | 11 | 5 | 5 | 4 | 4 | 3 | 3 |
| Kara Dunn | 1 | 1 | - | - | - | - | 1 | 1 |

* Includes Board Planning Days (2)

[#] Includes one joint Audit, Risk & Governance / Finance Sub-Committee(s) meeting

Member and CEO Remuneration

Members are remunerated on a per diem basis at a rate determined by the ACT Remuneration Tribunal under section 10 of the *Remuneration Tribunal Act 1995* (Determination 13 of 2020 – Part Time Public Office Holders).

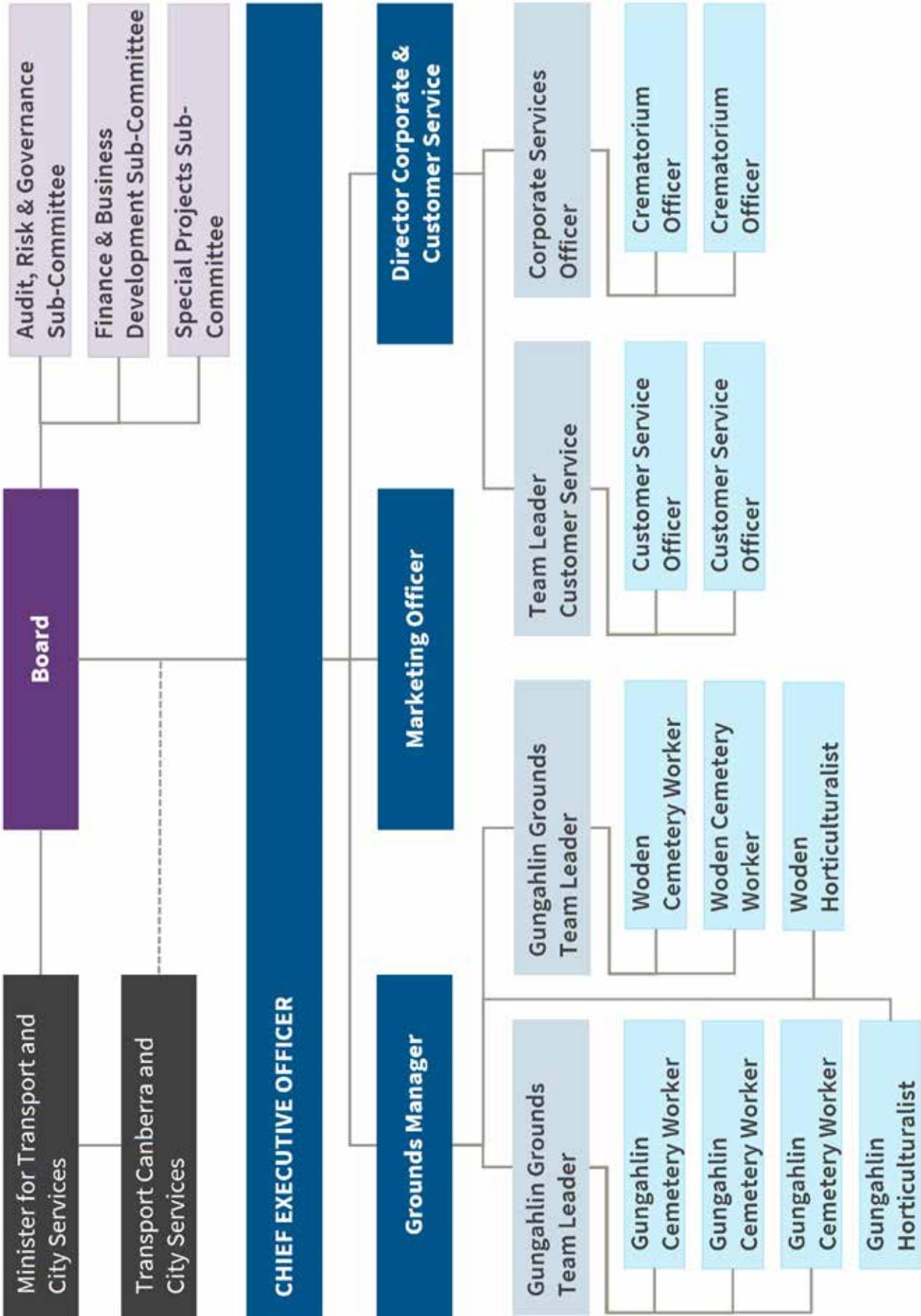
The CEO is employed in accordance with Section 31 of the [Public Sector Management Act 1994](#) and Section 54 (2) of the [Public Sector Management Standards 2016](#). CEO remuneration determinations are made by the Chief Minister or the Remuneration Tribunal under the [Remuneration Tribunal Act 1995](#).

Board Appointments after reporting date 30 June 2021

On 4 August 2021 the Minister for Transport and City Services:

- > reappointed the following Members to the Authority for three-year terms, effective 23 August 2021: Neale Guthrie (Chair), Georgina McKenzie (Deputy Chair), Linda Addison and Ken Crofts. Ken Crofts declined the reappointment offer on Monday 6 September 2021; and
- > appointed the following incoming Members to the Board for three-year terms: Paula McGrady, Nigel Corne, Deepak-Raj Gupta, and Fiona Jolly.

Figure 14. Canberra Memorial Parks organisational chart as at 30 June 2021



The year in Review

In 2020-21, the principal activity of the Authority was the provision of interments (burial and ashes interments) and associated services at an acceptable cost to the community in a commercial and professional manner.

The customer survey, sent to all customers throughout the year, indicated a Net Promoter Score (NPS) of +50. A similar rate to the previous year, indicating cemetery services continued to be delivered to a high standard.

The crematorium, officially opened by the Minister on 15 March 2021, cremated 110 cases during the first three months of operation. This indicates a marketshare of around 26 percent of the cremations in the ACT during the operating period.

The Authority's performance against its 2020-21 objectives and targets included in its 2020-21 Statement of Intent shows that the Authority has broadly met its targets and should continue to do so in the short term. There has been continued high levels of engagement with industry partners, evidenced by very supportive responses to the annual performance survey completed by funeral directors and maintaining an Industry Roundtable with this key stakeholder group.

During the year a Communications and Marketing Strategy was developed to align with the re-branding of Canberra Memorial Parks. This plan will form the foundation of promoting the Authority to the wider community and support business sustainability.

Outlook for 2021-22

Strategic and operational priorities to be pursued in 2020-21 include:

- > Increasing the share of the cremation market by rolling out the Communications and Marketing Strategy developed in the year;
- > ensuring the financial viability of the Authority by providing customers with additional memorialisation choices;
- > expanding and innovating Authority service offerings in accordance with contemporary community needs including continuing planning work for future cemetery facilities, in particular the Southern Memorial Park development;
- > maintaining the customer service model with an appointment-based model and opening hours for general customer service functions;
- > continuing to foster stakeholder relations and partnerships;
- > reviewing existing business and strategic plans to ensure the Authority remains sustainable; and
- > ensuring the compliance with the *Cemeteries and Crematoria Act 2020* commencing on 23 August 2020.

Performance Analysis

The main object of this Act is to provide a financially sustainable model for the management of cemeteries and crematoria that recognises, and provides for, the diverse needs of the community.

This is achieved particularly by:

- > recognising the rights of people through the dignified and respectful treatment of their human remains and the human remains of their loved ones;
- > respecting the diverse burial, cremation and interment practices, cultural practices and religious beliefs of people; and
- > promoting financially sustainable facilities and practices for burying and cremating human remains and interring cremated remains.

To achieve these objectives Canberra Memorial Parks owns and manages three public cemeteries at Gungahlin, Woden, and Hall, a public crematorium on the grounds of Gungahlin Cemetery and a mausoleum on the grounds of Woden Cemetery. These and further commentary below support achieving the objectives under the Act.

Locations

Gungahlin Cemetery opened in 1979, located in Canberra's northern suburb of Mitchell it spans 40 hectares. With an organic design and significant native plantings it is predominantly non-denominational and offers monumental sections, plaque-beam and headstone lawn sections, natural burials, and options for ash interments. It accommodates Canberra Memorial Parks' administration centre, the stringybark room – a memorial hall which seats up to 100 people – and Gungahlin Crematorium which includes a private viewing room, ideal for intimate services that provides customers with the choice of witnessing the cremation.

Woden Cemetery performed its first burial in 1936. Located in Phillip, in Canberra's southern suburbs, it spans 12 hectares. With a traditional European design and mature trees it is divided into denominational sections and includes monumental, plaque-beam and headstone lawn sections and ash interments. While still available for mausoleum ash interments it is nearing burial capacity. The ACT Heritage Council has decided that the Woden Cemetery, Phillip meets one or more of the heritage significance criteria under S 10 of the [Heritage Act 2004](#).

Hall Cemetery, to the north of Canberra, spans 4.5 hectares, and is the oldest public general cemetery still in use in the ACT. Although dedicated in 1883, the first recorded burial was not until 1907. Ash interments are available and burial allotments are fully subscribed. The Cemetery contains some rare and endangered plants, such as the Tarengo leek orchid.

Burial capacity in the ACT

With Woden Cemetery nearing burial capacity, there is sufficient space at Gungahlin Cemetery to meet ACT community demands for approximately 30 years. During the reporting period two new sections were established at Gungahlin Cemetery, an Islamic section and a lawn section providing 300 and 940 allotments respectively.

In April 2021, the Government released a masterplan for the Southern Memorial Park (SMP) a proposed memorial park in the south of Canberra. Designed over four stages, the SMP will have capacity for 53,000 burials and interments. Stage One includes 2,500 burial allotments, an adventure playground, a works depot and a central point with amenities and car parking. Stage Two will provide a crematorium, memorial halls, catering facilities and additional burial sites.

To support the development of the SMP, Canberra Memorial Parks' Special Projects Sub-Committee provides the Government Infrastructure Delivery Team with specialist advice, including stakeholder consultation regarding this project.

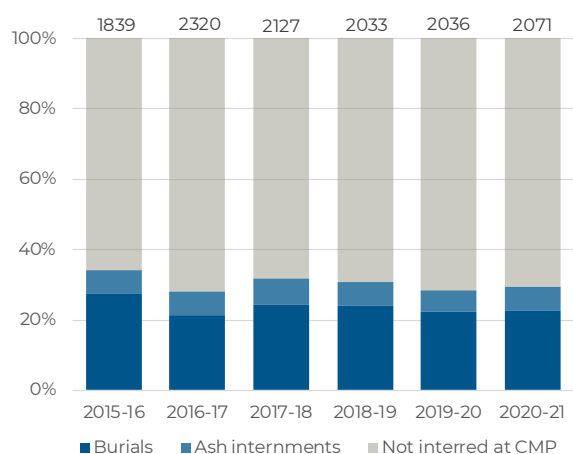
Marketshare

During the reporting period Canberra Memorial Parks performed 471 burials representing around 23 percent of the estimated number of deaths in the ACT and 140 ash interments. In 2015-16 burials were estimated to be around 27 percent of the deaths in the ACT. This decline, of around 15%, indicates that the ACT is not immune from the national trend away from burials towards cremation. To support financial sustainability, the Authority commissioned a crematorium (see [Crematorium](#)) to meet this trend.

Since the opening of the crematorium, in February 2021, Canberra Memorial Parks has performed 110 cremations representing a marketshare for the year of around 5 per cent. Share of the crematorium market is estimated at around 26 per cent (refer [Statement of Performance](#)).

During the same period ash interments at Canberra Memorial Parks remained stable at around 7 per cent of deaths in the ACT.

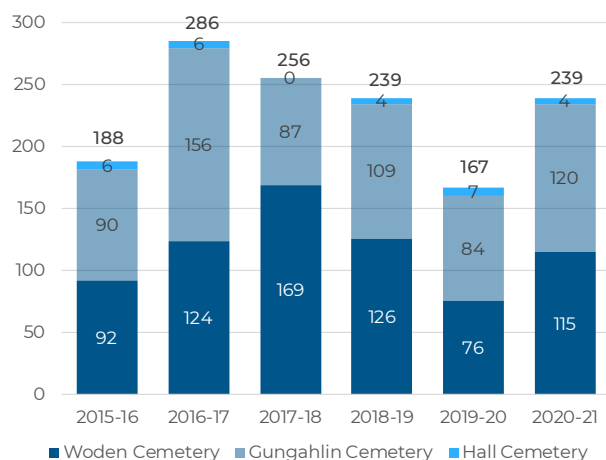
Figure 15. Distribution of interments for deaths in the ACT.



Reservations

Reservations are repurchased allotments. In 2020-21, unit sales of reservations were 239 representing an increase of about 43 percent on the prior year. However, given 2019-20 was impacted by coronavirus restrictions a better comparison is the six-year average of about 229 reservations per annum. The trend of reservation unit sales, by cemetery is shown in Figure 16.

Figure 16. Total reservation unit sales by cemetery



Crematorium

In September 2019, upon reviewing a business case developed by the Authority, the Government announced an intention to build a publicly funded crematorium on the grounds of Gungahlin Cemetery.

Funded from Authority reserves, Government approval to construct the crematorium was granted in May 2020 with construction commencing in June that year. The Environmental Protection Authority granted the Authority a licence to operate the crematorium in November 2020 and the first cremations occurred in February 2021.

The facility was officially opened by the Minister on 15 March 2021.

In March 2021 the Independent Competition and Regulatory Commission determined the Authority's costing methodology and prices submitted by the Authority for crematorium services complied with the pricing principles and the ACT Competitive Neutrality Policy.

The crematorium will underpin business sustainability by providing the Authority with opportunity for growth by countering the declining trend away from burials towards cremation.

Capital expenditure associated with the crematorium was \$2.674 million, revenue was below budget due to the opening date being later than estimated in the 2019 business case, and 110 cremations were performed in 2020-21.

Capital expenditure associated with the crematorium against budget is shown in discussed under [PART 2C: FINANCIAL MANAGEMENT](#).

Revenue and expenditure against budget are shown in [Table 36](#).

Table 36: Revenue and expenditure for the crematorium against budget (\$'000)

| Sub-Committee | Actual | Budget | Variance |
|-------------------|----------------|----------------|----------------|
| Total Revenue | 90.2 | 268.9 | (178.7) |
| Total Expenditure | (552.8) | (490.6) | (62.2) |
| Total | (462.6) | (221.7) | (240.9) |

Further Performance Analysis

Further performance analysis for 2020-21 is discussed in the Management Discussion and Analysis and the Statement of Performance (see [PART 2C: FINANCIAL MANAGEMENT](#)).



Stephen Bartos, Minister Chris Steel and MLA Deepak-Raj Gupta turn the sod for the new crematorium

Scrutiny

There were no outstanding items that required action post 30 June 2020 from the Auditor General's final audit management reports relating to the Cemeteries and Crematoria Authority.

There were no outstanding items that required action post 30 June 2020 from Legislative Assembly standing committees relating to the Cemeteries and Crematoria Authority.

Risk Management

The Authority has developed a Risk Management Plan aligned to the ACT Insurance Authority (ACTIA) and ACT Government principles for risk management.

During the year the Board held a half-day strategic risk workshop and adopted a Strategic Risk Register and Risk Appetite Statement. This document identifies areas of significant operational or financial risks, supports planning, and is used to assist preparing the internal audit plan.

The Audit, Risk and Governance Sub-Committee has oversight of risk management. Overall responsibility for risk management lies with the Board and Chief Executive Officer.

The aim of the Strategic Risk Register is to identify and mitigate identified risks through implementing strategies to reduce the impact of any identified risks occurring and ensuring business continuity.

The Authority's Business Continuity Plan (BCP) was reviewed and updated in March 2020. This review included the addition of a Pandemic Plan, which, at a high level, identifies critical functions and mechanisms to ensure continuity and uplift of service levels in the event of a period of increased death rates.

Internal Audit

The Audit, Risk and Governance Sub-Committee is an integral part of the internal audit function and reports to the Board on the governance, risk, and internal control environment. Membership, Member remuneration, and number of Sub-Committee

meetings and attendance are addressed in section B1 above. Sub-Committee activities are conducted in accordance with the Board and Sub-Committee Charter.

To deliver internal audit activities, the Authority used a primary internal audit provider identified through the Whole of Government internal audit services panel. Three internal audits were presented to the Audit Committee for consideration in 2020-21.

The Audit, Risk and Governance Sub-Committee met four times during the year to discuss performance and compliance audits and once in conjunction with the Finance Sub-Committee.

The status of audits from the Authority's internal audit program(s), as at 30 June 2021, is listed in [Table 37](#).

Audits planned for 2021-22 include:

- > Crematorium – Record Keeping and Procedures
- > Work Health and Safety Health Check
- > Business Continuity Planning Audit
- > Service Delivery Performance Reporting

Fraud Prevention

The Authority's Fraud and Corruption Prevention Plan was updated in June 2021. That plan includes an assessment of fraud risk, a fraud control plan and prevention strategies including fraud awareness training.

The Authority received no reports or allegations of fraud or corruption during the year.

Freedom of Information

The Authority did not receive any access applications under the [Freedom of Information Act 2016](#).

Table 37: Status of Internal Audit Program

| Audit Name | Program | Status | Reviewed |
|--------------------------------|---------|----------|----------------|
| Record Keeping | 2019-20 | Complete | September 2020 |
| Work Health and Safety Check | 2020-21 | Complete | March 2021 |
| Business Policies Health Check | 2020-21 | Complete | August 2021 |
| ICT Migration | 2020-21 | Underway | TBC |

Community Engagement and Support

Community Liaison

The Authority's liaison with stakeholder groups is underpinned by a stakeholder framework.

During the year the following community groups were engaged with regarding the planning and official opening of the crematorium, planning for future sections and finalising newly developed sections at Gungahlin Cemetery, developing the Masterplan for the Southern Memorial Park (in conjunction with TCCS Infrastructure Delivery) and as part of normal business activities which involve input from stakeholder groups.

Crematorium operating procedures

The Hindu, Jain and Sikh communities were engaged in planning and developing the operating procedures for the crematorium. Some of these faith groups require family members to instigate the process of the coffin entering the furnace and witnessing the activity. This engagement resulted in the provision of a private viewing room, allowing up to 25 people to view the cremation process and an operating procedure that gives members of the family control over when the deceased enters the furnace.

New sections at Gungahlin Cemetery

Four groups from the Islamic Community were consulted regarding the new section at Gungahlin Cemetery. Involvement included determining the plantings surrounding the portion and entrance, appropriate religious signage, method of allocating allotments, depth of graves and methods of reservation sales to various Islamic community groups.

The Buddhist community has been consulted to allocate and plan a section at Gungahlin Cemetery specifically for members of the Buddhist faith. This section will be completed in 2021-22.

Southern Memorial Park

Around 100 key stakeholders were invited to provide feedback on the Southern Memorial Park via a targeted email, including community councils and organisations in the surrounding regions. To ensure a diverse cross section of the community was able to provide feedback, pop-up sessions were held in Tuggeranong, Woden and Weston Creek, with over 230 attendees recorded across six sessions in three locations.

Other community and religious groups consulted in 2020-21 included the following:

- > The ACT Council of Churches;
- > Leaders from the Jewish Orthodox and Progressive Faiths;
- > The Catholic Church;
- > Iranian Baha'i Community;
- > Leaders of the Greek, Ukrainian, Russian and Serbian Orthodox Churches;
- > Elders and leaders from Aboriginal and Torres Strait Islander Communities;
- > Leaders from the Coptic Church;
- > Council of the Aging; and
- > Palliative Care ACT.

Community support initiatives

The Authority did not provide any grants, assistance, or sponsorships in 2020-21.

Aboriginal and Torres Strait Islander Reporting

A portion of the Gungahlin Cemetery, developed in consultation with local elders, has been set aside for members of the Aboriginal and Torres Strait Islander community.

The TCCS Annual Report Volume 1 provides further detail on the Reconciliation Action Plan and other Whole of Government diversity employment strategies to which the Authority adheres.

Work Health and Safety

The Authority continues to be proactive in maintaining and improving workplace health and safety (WHS).

The Authority has a WHS Committee, chaired by the CEO which meets quarterly, two members of the committee are elected by employees of the Authority.



Customer service workforce at Gungahlin cemetery

A Work Health and Safety Check audit was conducted in 2020-21 and reported to the Audit, Risk and Governance Sub-Committee in March 2021. The three main risks are identified in [Table 38](#).

Table 38: Top three risks and mitigations strategies

| No. | Risk | Mitigation Strategy |
|-----|----------------------------|--|
| 1 | Working in confined spaces | Employees conducting this activity attend Grave-Safe Training, a course provided by the NSW Cemetery and Crematoria Association. |
| 2 | Working with machinery | The Authority has adopted Plant-Assessor, a software program which monitors maintenance requirements and procedures for the use of plant and machinery |
| 3 | Working in isolation | Toolbox meetings are conducted daily, and employee breaks are held in central locations. |

Promotion of safety measures and the Employee Assistance Program has continued in the workplace with the addition of COVID-19 safety recommendations.

As Authority employees are TCCS employees, the Authority adopts TCCS WHS policies and procedures. Incidents are reported and recorded using the TCCS WHS reporting framework.

There was no lost time related to workplace injuries in 2020-21.

Human Resource Management

The day-to-day management of Authority staff is the responsibility of the CEO, Grounds Manager, and the Business Manager, all of whom have direct reports. Teams within TCCS provide support and oversight in all workforce related matters.

The Authority is a small agency, and the workforce has employees who are cross-skilled. To maintain a continuous service for the community, contractors are used to ensure staff are available when necessary. Cemetery employees are deployed flexibly and move between cemeteries to maintain operations.

Employee Profile

The employee profile as at 30 June 2021 is shown in [Table 39](#), in addition to this, two positions were filled with contractor labour.

Table 39: Employment profile 2021-2022

| Classification | Male | Female | Total |
|----------------|-----------|----------|-----------|
| Ex 1.2 | 1 | 0 | 1 |
| SOGB | 0 | 0 | 0 |
| AS06 | 1 | 1 | 2 |
| AS05 | 0 | 1 | 1 |
| AS04 | 0 | 1 | 1 |
| T04 | 1 | 0 | 1 |
| T03 | 1 | 1 | 2 |
| GSO8 | 2 | 0 | 2 |
| TO2 | 2 | 0 | 2 |
| GSO5/6 | 5 | 0 | 5 |
| Total | 13 | 4 | 17 |

For the purpose of reporting, under this section, Authority employees are included in the TCCS Human Resources Management Reporting, (refer to [page 63](#)) and are therefore included in the State of the Service Report regardless of the employee profile shown above.

To meet community needs, Canberra Memorial Parks' staff provide:

- > general administration and operational support for more than 30 denominations and 14 burial and interment practices;
- > customer service that is efficient and empathetic to cemetery customers, funeral directors and the general community;
- > secretariat and logistical support for the CEO and the Board;
- > planning and policy formulation, much of which is specific and tailored to the cemetery industry;
- > regular attendance at conferences to remain informed regarding the cemetery and crematoria industry;



Member of the grounds workforce at Woden Cemetery

- > horticultural maintenance including large areas of manicured turf and gardens;
- > arboriculture for our significant areas of forest, heritage listed native Australian and exotic tree species;
- > grave digging operations across a wide variety of burial options and denomination requirements including the preparation and installation of new burial areas, landscaping, and roads; and
- > operation and maintenance of a wide range of horticulture specific plant and equipment assets for both ground maintenance and cemetery specific activities.

All staff have performance agreements in place which set out performance measures, areas for improvement and a tailored training program for the year. Agreements are reviewed twice per year.

Employee Training

Staff are required to maintain minimum levels of training, which for out-of-doors staff includes certification for various types of plant and equipment, industry specific safety procedures and chemical handling. Staff are encouraged to enhance their skills where possible.

Table 40: Training courses attended during 2020-21

| Training Course | No. Attended |
|--|--------------|
| Fraud and Ethics | 17 |
| Respect, Equity and Diversity | 18 |
| Security Awareness | 17 |
| TCCS Directorate Induction | 17 |
| First Aid Training | 15 |
| Work Health and Safety | 13 |
| Work Health and Safety for Managers | 4 |
| Aboriginal and Torres Strait Islander Cultural Awareness | 4 |
| Best Practice Recruitment | 2 |
| Disability Awareness | 3 |
| Domestic and Family Violence Awareness | 2 |
| Domestic and Family Violence Awareness – Managers | 2 |
| Financial Delegations | 1 |
| Fraud and Ethics | 2 |
| Information Privacy | 9 |
| LGBTIQ+ Awareness | 2 |
| Respect, Equity and Diversity | 2 |
| Security Awareness | 5 |

| Training Course | No. Attended |
|----------------------------------|--------------|
| TCCS Credit Card Compliance | 1 |
| TCCS Directorate Induction | 2 |
| TCCS Security Clearance Holders | 1 |
| Work Health and Safety Induction | 3 |
| SunSmart | 7 |
| Nature Park Management | 1 |
| Chainsaw | 3 |
| Confined Spaces | 2 |
| Elevated Work Platform <12m | 2 |
| Cemetery Safety | 2 |
| Asbestos Awareness | 3 |
| Chem Cert | 1 |

Ecologically Sustainable Development

Gungahlin Cemetery and Woden Cemetery are principally lawn cemeteries with under-turf irrigation. Ongoing dry periods and water restrictions have necessitated a reduction in water use. As a result, the Authority has done considerable work to replace cool season grasses with warm season grasses to reduce water use, mowing frequency and other maintenance costs.

The ACT had a wetter than average year in 2020, contrasting with the dry conditions of the previous three years.

August and October 2020 were especially wet, with Canberra Airport receiving more than double its average monthly rainfall in both months. Rainfall in the ACT during summer was generally near average with the heaviest rainfall occurring in late January and early February 2021. Autumn rainfall was also above average with most ACT sites receiving at least double their average monthly rainfall in March.

This wetter than than average year resulted in reduced water consumption for 2020-21 as shown in the table below.

Table 41: Water usage for 2020-21

| Water Use (Megalitres) | 2020-21 | 2019-20 |
|--|---------|---------|
| Ground Maintenance | 28.9 | 65.8 |
| Potable Water (Included in above) | 11.2 | 29.5 |
| Bore Water | 1.2 | 10.0 |
| Supplied by third parties (Bore and captured) | 0.0 | 26.3 |
| Captured water returned to the Ornamental Lake | 0.0 | 3.2 |

The Authority continues to store most of its organic waste products generated onsite for future use. The Authority generated its own mulch using third party contractors.

Clean fill generated from grave digging at both Woden and Gungahlin cemeteries is reused in the development of new burial areas.

Wastepaper and cardboard are recycled, as are toner cartridges and batteries. In 2019 the Authority received accreditation in the ACT Smart Business Recycling Program. Excess or superseded equipment is sold or traded in for replacements whenever possible. Non-saleable computer equipment is donated or disposed of through approved drop-off centres.

Strategies to achieve energy reduction include:

In the office:

- > timers and thermostats utilising fixed heating and cooling equipment;
- > insulated curtains and some double glazing;
- > on-site renewable electricity solar photo-voltaic system at Gungahlin Cemetery;
- > reminding staff to be conscious of and to adopt energy saving strategies; and
- > ensuring all light fittings are LED or compact fluorescent.

On the grounds:

- > conversion of turf to varieties that require lower maintenance and water;
- > irrigation system upgrades;
- > evaluating vehicle purchases for fuel efficiency as part of procurement procedures; and
- > replacing small petrol-powered machines with equivalent battery powered devices.

PART 2C: FINANCIAL MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

**For the Cemeteries and Crematoria Authority
Year Ended 30 June 2021**

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1. GENERAL OVERVIEW

1.1. Introduction

The Cemeteries and Crematoria Authority (the Authority), trading as Canberra Memorial Parks, is a statutory authority established on 23 August 2020 under the *Cemeteries and Crematoria Act 2020* (new Act).

From 1 July 2020 to 22 August 2020 the Authority traded as the ACT Public Cemetery Authority under the *Cemeteries and Crematoria Act 2003* (old Act) which was repealed on 22 August 2020. Under both Acts, the Authority is / was under the direction of the Minister for City Services (the Minister).

1.2. Objectives

The aim of the Authority is to manage public cemeteries and crematoria in the ACT effectively and efficiently. This includes cemeteries at Gungahlin, Hall and Woden, a mausoleum on the grounds of Woden Cemetery and a crematorium on the grounds of Gungahlin Cemetery.

The Authority operates in accordance with the *Financial Management Act 1996*. It is self-funded with revenue predominantly sourced from the sale of allotments, burial activities, memorialisation and cremation services.

1.3. Perpetual Care Trusts

The old Act provided for Perpetual Care Trusts (Trusts) established for each cemetery.

These Trusts comprised two parts:

- Perpetual Care Trusts (PCT), established for current maintenance; and
- Perpetual Care Trust Reserves (PCTR). These Trusts were established to provide maintenance funds, for each facility, in perpetuity and can only be accessed with the approval of the Minister.

The Minister determined the percentage of revenue to be paid into each Trust.

Under the new Act a new Perpetual Care Trust will be established and the funds in the previous PCT and PCTR will be transferred into this new Trust. Under Part 7 of the new Act, the Minister will determine new percentages of licensee receipts (specific revenue items) to be paid into this new Trust after 23 August 2020.

1.4. Crematorium

Gungahlin Crematorium was constructed at a cost of \$2.674m and was funded from the Authority's cash reserves. Construction commenced in June 2020, approval to operate the facility was granted on 24 February 2021 and the first cremations occurred on 26 February 2021. The facility was officially opened, by the Minister, on 15 March 2021.

1.5. Risk Management

The Authority's approach to risk management provides clients with assurance that the Authority can deliver low risk / high value services. To support this the Authority has the following plans:

- Strategic Plan;
- Strategic Risk Register and Risk Appetite Statement;
- Business Continuity Plan; and
- Fraud and Corruption Prevention Plan.

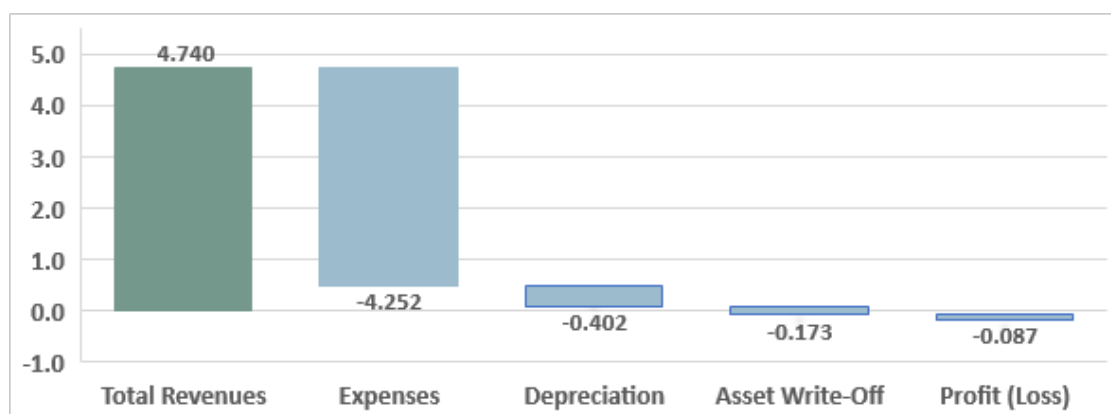
2. FINANCIAL PERFORMANCE

2.1. Overall Result

Income for the 2020-21 Financial Year was \$4.740m, expenses (excluding depreciation and asset write off) were \$4.252m, depreciation \$0.402m and asset write off \$0.173m for a net loss of \$0.087m. this represents 1.8 percent of total revenue, as shown in *figure 1*.

The result was \$0.659m higher than budget and \$1.139m higher than the 2019-20 result. Reasons for these variances are addressed in sections 2.3 and 2.4 below.

Figure 1 – Overall result 2020-21 (\$m)

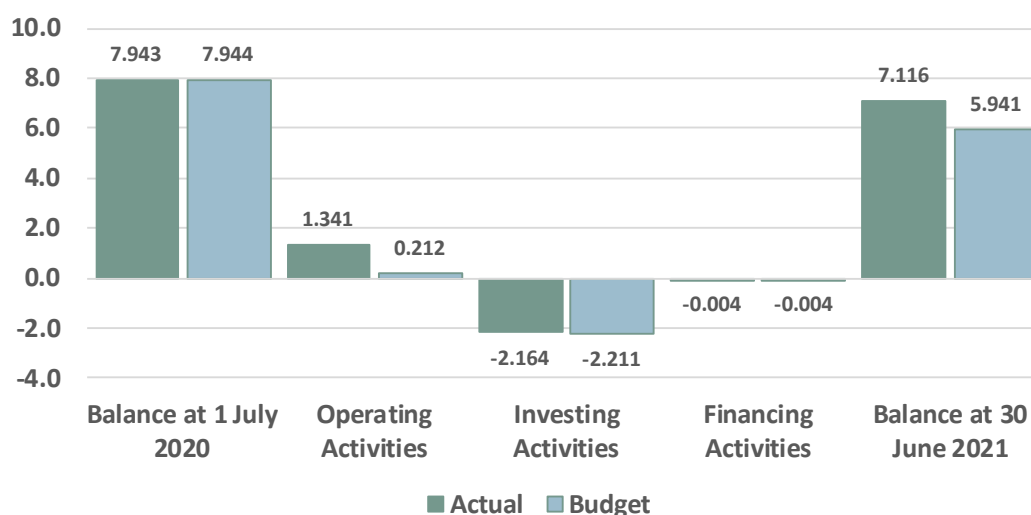


2.2. Financial Position

Cash Flows

The cash position as at 30 June 2021 was around 17 percent (\$1.175m) higher than budget, refer *Figure 2*, this was due to higher than budgeted revenues and lower than budgeted expenditure as described in 2.3 and 2.4 below.

Figure 2 – Cash flows against budget (\$m)



2.3. Financial Position

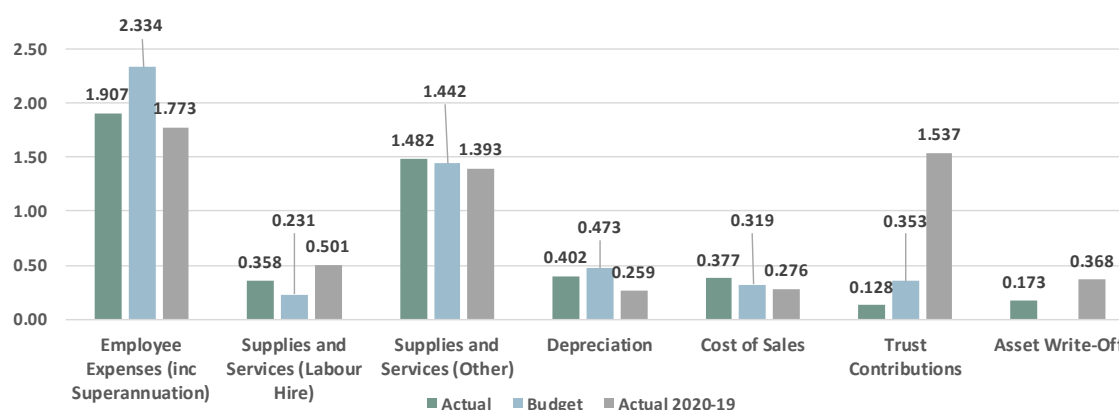
Components of Expenses

Figure 3 indicates the components of Authority expenditure, which was \$4.827m for the year to 30 June 2021 against both Budget and the 2019-20 Financial Year.

Of the \$4.827m in 2020-21:

- Employee expenses (including superannuation) represented around 40 percent (\$1.907m);
- Supplies and services, including labour hire of \$0.358m, represented around 38 percent (\$1.840m),
- Depreciation represented around 8 percent (\$0.402m);
- Cost of sales represented around 8 percent (\$0.377m),
- Trust contributions represented around 3 percent (\$0.128m); and
- Asset write-offs represented around 4 percent (\$0.173m).

Figure 3 - Components of Expenditure in 2020-21 (\$m)



Comment against Budget

- employee expenses, \$0.427m lower than budget, predominantly due to unfilled positions (partly offset by higher than budgeted labour hire costs of \$0.127m which are included in supplies and services) and a revaluation of workers compensation insurance premiums.
- supplies and services:
 - water consumption was lower than budget predominantly due to lower than budgeted water consumption; and
 - consultant services were higher than budget predominantly due to determining the pricing policy (in line with government policy) for the crematorium.
- depreciation of \$0.071m, lower than budget, due to the crematorium opening later than expected.
- Trust contributions of \$0.225m lower than budget due to the timing of the Minister determining the contribution to the Trust.

These savings were offset by higher than budgeted expenditure in:

- contract labour hire was \$0.127m higher than budgeted
- cost of goods sold of \$0.058m due to higher than budgeted sales resulting in increased costs; and
- asset write-offs of \$0.173m due to the write-off of work-in-progress associated with the 2012 Southern Memorial Park Masterplan.

Comment against Actual 2019-20

With the exception of the contributions to the Perpetual Care Trusts (refer Financial Statements Notes 1 and 4) where expenditure in 2020-21 was \$0.129m. Notable variances against 2019-20 are:

- an increase in depreciation of \$0.143m due to the crematorium being capitalised and a revaluation of the fixed assets on 1 July 2020;
- increased cost of sales of \$0.101m, due to increased sales in 2020-21;
- an increase in employee expenses (including superannuation) of \$0.134m in 2020-21 against 2019-20;
- lower asset write-offs, of \$0.195m in 2020-21 against 2019-20.

2.4. Income

Figure 4 indicates the components of the Authority's revenue to 30 June 2021.

The Authority is self-funded with most income generated from revenue from contracts with customers. These comprise of the sale of burial allotments (including maintenance fees), memorialisation services (plaques and permits) and cremation services.

In 2020-21 revenue from contracts with customers accounted for around 93 percent (\$4.374m) of total revenue. Other forms of income include interest on bank deposits of around 1 percent (\$0.067m), miscellaneous income of around 3% (\$0.190m), and PTC Trust reimbursement of around 2 percent (\$0.109m).

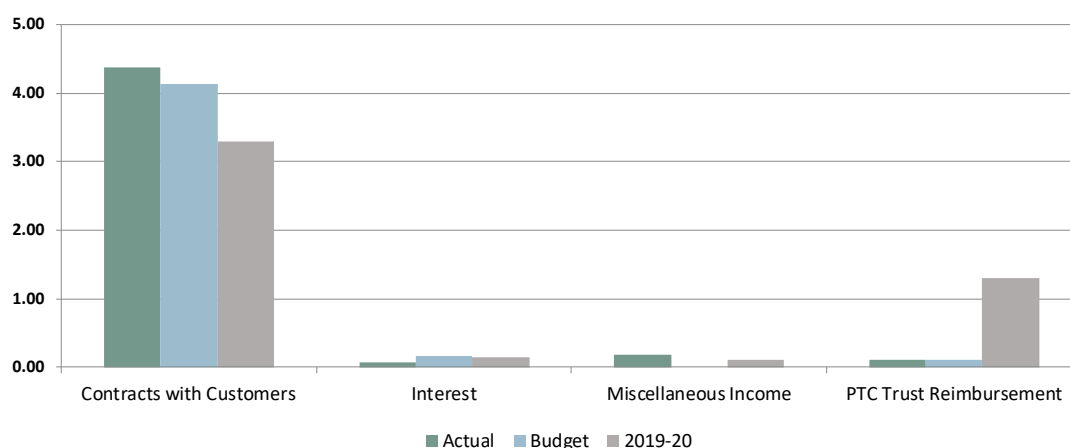
Under the old Act a contribution was made to the short-term PTC Trust, recognised as an expense, the same amount was also recognised as a revenue in the same accounting period.

Due to the application of the new Act in August, the PTC Trust only applied in July. The budget was submitted to Treasury after July 2020, accordingly the budgeted amount was able to reflect the actual amount (\$0.109m).

In 2019-20 revenue from the PTC Trust was \$1.299m, representing the full financial year.

The decrease in PTC revenue (from 2019-20 to 2020-21) is also reflected in lower PTC expense between 2019-20 and 2020-21 (refer Figure 3 above).

Figure 4 - Components of Income(\$m)



Comparison to Budget

Total Income for 2020-21 was \$4.740m. This is around 7 percent (\$0.334m) greater than the budgeted revenue of \$4.406m. Contributing factors include:

- sales of allotments and maintenance being greater than budget;
- burial fees being greater than budget; and

Comparison to 2019-20 Actual Income

Total Income in 2020-21 was \$0.131m, around 17 percent, lower than the 2019-20 result. Revenues across all revenue sources in 2020-21 were greater than 2019-20 with the exception of the Perpetual Care Trust Reimbursement (refer notes 1 and 4 of the Financial Statements).

2.5. Future Trends

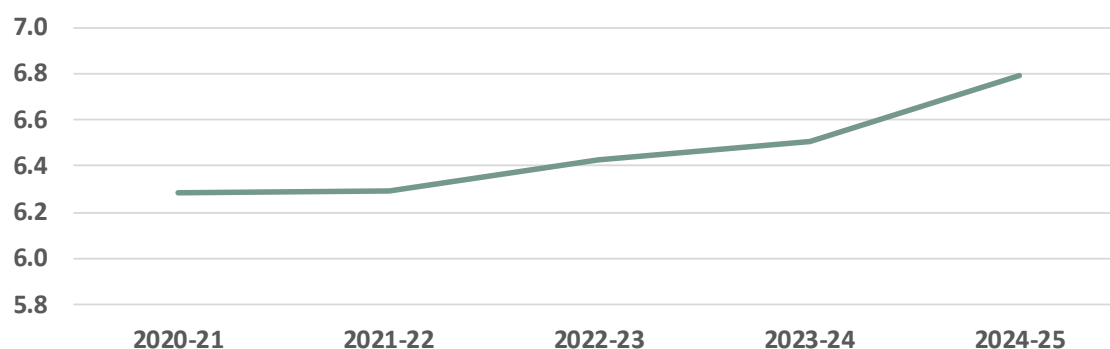
Cash Projection

During the budget and forward estimates period (2021-22 and beyond) the Authority will incur payments to the PCTR. These were not incurred in the 2020-21 year due to the timing

of the Minister making a determination for percentage contributions to the Trust (refer 1.3. above) for the period.

The cash position for the Authority during the 2021-22 budget and forward estimates period is shown in *Figure 5*.

Figure 5 – Projected cash position for 2021-22 and the forward estimates period (\$m).

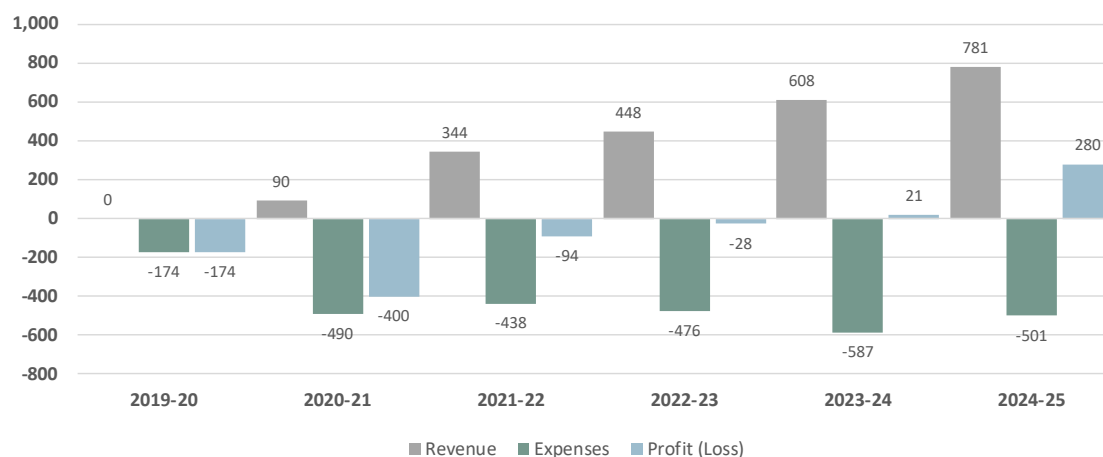


Impact of Crematorium ¹

In 2020-21 The crematorium generated revenues of \$0.085m.

The business case, prepared to support the crematorium, forecasts the crematorium to make its first profit in 2023-24. A summary of the crematorium budget and forward estimates, in line with that business case is in *Figure 6* below.

Figure 6 – Crematorium Operating result (\$'000).

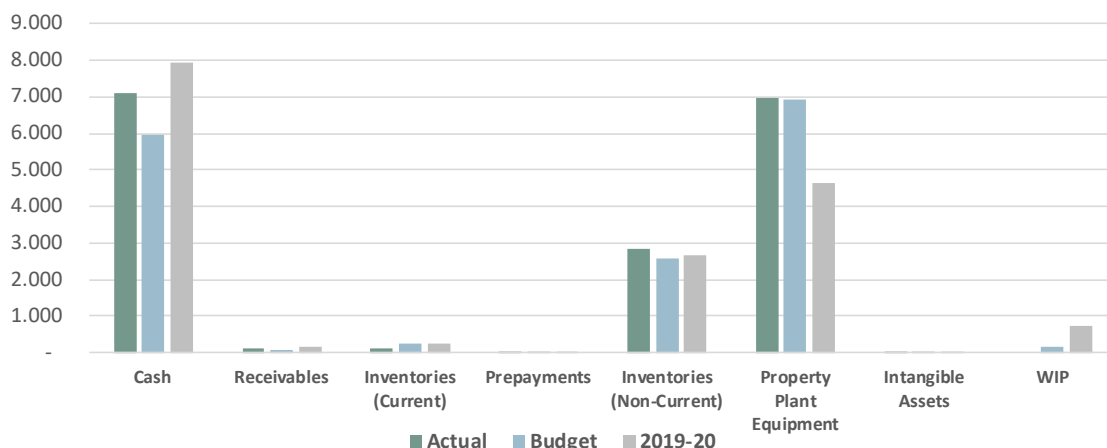


¹ The crematorium figures are included in the overall result and projection.

2.6. Assets

Figure 7 below identifies assets as at 30 June 2021 against the prior year.

Figure 7 – Assets against prior year (\$m)



Comparison to Budget

- Cash is more than budgeted due to higher than budgeted revenues and lower than budgeted expenditure as described in 2.2 and 2.3 above.
- The change in property, plant and equipment is due to the capitalisation of the crematorium (including WIP from 2019-20), and a revaluation of fixed assets as at 1 July 2020.

2.7. Liabilities

Of the total liabilities at 30 June 2021 of \$10.125m, around 90 percent (\$9.108m) relates to contract liabilities. This relates to monies received for burial and memorialisation services for services which have not been performed as at 30 June 2021.

Comparison to Budget

Liabilities at 30 June 2021 were \$10.125m, this is around 5 percent (\$0.498m) higher than the budget amount due to higher than budgeted reservations.

Comparison to 30 June 2020 Actuals

Liabilities as at 30 June 2021 increased by \$0.831m or by around 9 percent from the 2019-20 result, also due to higher than budgeted reservations.

3. LIQUIDITY

‘Liquidity’ is the ability of the Authority to satisfy its short-term debts as they fall due. A common indicator for liquidity is the current ratio, which compares the ability to fund current liabilities from current assets. A ratio of less than one may indicate a reliance on borrowings.

Table 1 indicates the liquidity position of the Authority.

Table 1 – Current Ratio

| | Prior Year Actuals 2020 | Current Year | | Out Years | | |
|------------------------------|-------------------------------|-----------------|----------------|----------------|----------------|----------------|
| | | Actuals 2021 | Budget 2021 | Budget 2022 | Budget 2023 | Budget 2024 |
| Current Assets (\$'000) | 8,380 | 7,364 | 6,297 | 6,344 | 6,457 | 6,732 |
| Current Liabilities (\$'000) | 9,234 | 10,075 | 9,569 | 9,909 | 10,248 | 10,589 |
| Current Ratio | 0.91 | 0.73 | 0.66 | 0.64 | 0.63 | 0.64 |

The Authority’s current ratio for the financial year to 30 June 2021 is 0.73, a ratio deemed to be below the acceptable rate. However, in consideration of:

- Of the contract liabilities that relate to revenue received in advance for pre-purchased burial services, only 4 percent has historically been taken-up within 12 months of the reporting date. As such, for the purposes of determining an appropriate current ratio, \$0.401m is considered a short-term liability with \$8.707m considered a long-term liability; and
- Of the employee benefits liabilities, historically on average 56 percent of these liabilities are taken up within 12 months of reporting. As such, for the purposes of determining a realistic current ratio, \$0.225 is considered a current liability with \$0.287m deemed a long-term liability.

Therefore, a better indication of the current ratio for the Authority is to treat these portions of current liabilities, as non-current liabilities. This is because they are not expected to be paid or recognised within 12 months of the reporting date.

Performing this adjustment indicates a revised current ratio of 6.63 as indicated in Table 2, indicating the Authority to comfortably meet debt obligations as they fall due.

Table 2 – Adjusted Current Ratio

| | Prior Year Actuals 2020 | Current Year | | Out Years | | |
|------------------------------|-------------------------------|-----------------|----------------|----------------|----------------|----------------|
| | | Actuals 2021 | Budget 2021 | Budget 2022 | Budget 2023 | Budget 2024 |
| Current Assets (\$'000) | 8,380 | 7,364 | 6,297 | 6,344 | 6,457 | 6,732 |
| Current Liabilities (\$'000) | 1,293 | 1,111 | 942 | 970 | 998 | 1,027 |
| Current Ratio | 6.48 | 6.63 | 6.69 | 6.54 | 6.47 | 6.57 |

INDEPENDENT AUDITOR'S REPORT

CEMETERIES AND CREMATORIA AUTHORITY

To the Members of the ACT Legislative Assembly

Opinion

I have audited the financial statements of the Cemeteries and Crematoria Authority (Authority) for the year ended 30 June 2021 which comprise the operating statement, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- (i) present fairly, in all material respects, the Authority's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended; and
- (ii) are presented in accordance with the *Financial Management Act 1996* and comply with Australian Accounting Standards.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Authority for the financial statements

The Governing Board of the Authority is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996*, and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Authority to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

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Auditor's responsibilities for the audit of the financial statements

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an audit report that includes an independent opinion on the financial statements of the Authority.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Authority's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Authority;
- conclude on the appropriateness of the Authority's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in this report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Authority to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicated with the Governing Board of the Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Sharma
Assistant Auditor-General, Financial Audit
3 September 2021

**FINANCIAL STATEMENTS
OF
CEMETERIES AND CREMATORIA AUTHORITY

FOR THE YEAR ENDED 30 JUNE 2021**

Cemeteries and Crematoria Authority

Financial Statements For the Year Ended 30 June 2021

Statement of Responsibility

In my opinion, the financial statements are in agreement with the Cemeteries and Crematoria Authority's (the Authority) accounts and records and fairly reflect the financial operations of the Authority for the year ended 30 June 2021 and the financial position of the Authority on that date.

A handwritten signature in black ink, appearing to read 'Neale Guthrie', with a stylized flourish at the end.

Neale Guthrie
Chairperson
Cemeteries and Crematoria Authority
1 September 2021

Cemeteries and Crematoria Authority

Financial Statements For the Year Ended 30 June 2021

Statement by the Chief Executive Officer

In my opinion, the financial statements have been prepared in accordance with the Australian Accounting Standards, and are in agreement with the Cemeteries and Crematoria Authority's (the Authority) accounts and records and fairly reflect the financial operations of the Authority for the year ended 30 June 2021 and the financial position of the Authority on that date.



Philip Shelley
Chief Executive Officer
Cemeteries and Crematoria Authority
1 September 2021

Cemeteries and Crematoria Authority

Operating Statement For the Year Ended 30 June 2021

| | Note No. | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|--|-------------|--------------------------|--------------------------------------|--------------------------|
| Income | | | | |
| <i>Revenue</i> | | | | |
| Sales of Goods and Services from Contracts with Customers | 3 | 4,374 | 4,139 | 3,302 |
| Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts | 4 | 109 | 109 | 1,299 |
| Investment Revenue | | 67 | 158 | 153 |
| Grants and Contributions | | 31 | - | 24 |
| Other Revenue | | 159 | - | 85 |
| Total Revenue | | 4,740 | 4,406 | 4,863 |
| <i>Gains</i> | | | | |
| Gains from Contribution and Disposal of Assets | | - | - | 18 |
| Total Gains | | - | - | 18 |
| Total Income | | 4,740 | 4,406 | 4,881 |
| Expenses | | | | |
| Employee Expenses | 5 | 1,689 | 2,102 | 1,579 |
| Superannuation Expenses | | 218 | 232 | 194 |
| Supplies and Services | 6 | 1,840 | 1,673 | 1,894 |
| Depreciation and Amortisation | 7 | 402 | 473 | 259 |
| Cost of Sales | | 377 | 319 | 276 |
| Transfers to the Perpetual Care Trusts ^a | 8 | 128 | 353 | 1,537 |
| Other Expenses | 9 | 173 | - | 368 |
| Total Expenses | | 4,827 | 5,152 | 6,107 |
| Operating (Deficit) | | (87) | (746) | (1,226) |
| Other Comprehensive Income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Increase in the Asset Revaluation Surplus | | - | - | 479 |
| Total Comprehensive (Deficit) | | (87) | (746) | (747) |

a. Transfers to the Perpetual Care Trusts are recorded as Other Expenses in the Budget Papers.

The above Operating Statement should be read in conjunction with the accompanying notes.

Cemeteries and Crematoria Authority

Balance Sheet As at 30 June 2021

| | Note No. | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|--------------------------------------|----------|--------------------------|--------------------------------------|--------------------------|
| Current Assets | | | | |
| Cash and Cash Equivalents | 10 | 7,116 | 5,941 | 7,943 |
| Receivables | | 121 | 95 | 171 |
| Inventories | 11 | 116 | 240 | 246 |
| Prepayments | | 11 | 21 | 20 |
| Total Current Assets | | 7,364 | 6,297 | 8,380 |
| Non-Current Assets | | | | |
| Inventories | 11 | 2,821 | 2,584 | 2,651 |
| Property, Plant and Equipment | 12 | 6,959 | 6,937 | 4,644 |
| Intangible Assets | | 29 | 29 | 29 |
| Capital Works in Progress | 13 | - | 170 | 725 |
| Total Non-Current Assets | | 9,809 | 9,720 | 8,049 |
| Total Assets | | 17,173 | 16,017 | 16,429 |
| Current Liabilities | | | | |
| Payables | 14 | 481 | 383 | 379 |
| Employee Benefits | 15 | 482 | 494 | 464 |
| Contract Liabilities | 16 | 9,108 | 8,688 | 8,387 |
| Interest-free Borrowings | | 4 | 4 | 4 |
| Total Current Liabilities | | 10,075 | 9,569 | 9,234 |
| Non-Current Liabilities | | | | |
| Employee Benefits | 15 | 30 | 37 | 35 |
| Interest-free Borrowings | | 20 | 21 | 25 |
| Total Non-Current Liabilities | | 50 | 58 | 60 |
| Total Liabilities | | 10,125 | 9,627 | 9,294 |
| Net Assets | | 7,048 | 6,390 | 7,135 |
| Equity | | | | |
| Accumulated Funds | | 4,354 | 3,696 | 4,441 |
| Asset Revaluation Surplus | | 2,694 | 2,694 | 2,694 |
| Total Equity | | 7,048 | 6,390 | 7,135 |

The above Balance Sheet should be read in conjunction with the accompanying notes.

Cemeteries and Crematoria Authority

Statement of Changes in Equity For the Year Ended 30 June 2021

| | Accumulated Funds Actual 2021 \$'000 | Asset Revaluation Surplus Actual 2021 \$'000 | Total Equity Actual 2021 \$'000 | Original Budget 2021 \$'000 |
|--------------------------------------|--|---|--|--------------------------------------|
| Balance at 1 July 2020 | 4,441 | 2,694 | 7,135 | 7,136 |
| Comprehensive Income | | | | |
| Operating (Deficit) | (87) | - | (87) | (746) |
| Total Comprehensive (Deficit) | (87) | - | (87) | (746) |
| Balance at 30 June 2021 | 4,354 | 2,694 | 7,048 | 6,390 |

| | Accumulated Funds Actual 2020 \$'000 | Asset Revaluation Surplus Actual 2020 \$'000 | Total Equity Actual 2020 \$'000 |
|--|--|---|--|
| Balance at 1 July 2019 | 5,667 | 2,215 | 7,882 |
| Comprehensive Income | | | |
| Operating (Deficit) | (1,226) | - | (1,226) |
| Increase in the Asset Revaluation Surplus | - | 479 | 479 |
| Total Comprehensive (Deficit)/Income | (1,226) | 479 | (747) |
| Balance at 30 June 2020 | 4,441 | 2,694 | 7,135 |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cemeteries and Crematoria Authority

Statement of Cash Flows For the Year Ended 30 June 2021

| | Note No. | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|--|-------------|--------------------------|--------------------------------------|--------------------------|
| Cash Flows from Operating Activities | | | | |
| Receipts | | | | |
| Sales of Goods and Services from Contracts with Customers | | 5,083 | 4,575 | 3,761 |
| Reimbursement of Maintenance and Related Expenditure from Perpetual Care Trusts | | | | |
| <i>Gungahlin Cemetery Perpetual Care Trust</i> | | 137 | - | 936 |
| <i>Hall Cemetery Perpetual Care Trust</i> | | - | - | 3 |
| <i>Woden Cemetery Perpetual Care Trust</i> | | 76 | - | 480 |
| <i>Woden Mausoleum Perpetual Care Trust</i> | | - | - | 7 |
| Total Reimbursements from Perpetual Care Trusts ^a | | 213 | 230 | 1,426 |
| Interest and Distributions Received | | 71 | 146 | 156 |
| Goods and Services Tax Input Tax Credit from the Australian Taxation Office | | 476 | 147 | 173 |
| Goods and Services Tax Collected from Customers | | 519 | 310 | 390 |
| Other | | 158 | - | 85 |
| Total Receipts from Operating Activities | | 6,520 | 5,408 | 5,991 |
| Payments | | | | |
| Transfers to the Perpetual Care Trusts | | | | |
| <i>Gungahlin Cemetery Perpetual Care Trust</i> | | 156 | - | 1,062 |
| <i>Hall Cemetery Perpetual Care Trust</i> | | 1 | - | 20 |
| <i>Woden Cemetery Perpetual Care Trust</i> | | 94 | - | 593 |
| <i>Woden Mausoleum Perpetual Care Trust</i> | | - | - | 8 |
| Total Transfers to the Perpetual Care Trusts ^a | | 251 | 529 | 1,683 |
| Employees | | 1,677 | 1,864 | 1,682 |
| Superannuation | | 217 | 232 | 193 |
| Supplies and Services | | 1,716 | 1,803 | 1,765 |
| Cost of Sales | | 417 | 256 | 358 |
| Goods and Services Tax Remitted to the Australian Taxation Office | | 484 | 343 | 421 |
| Goods and Services Tax Paid to Suppliers | | 417 | 169 | 254 |
| Total Payments from Operating Activities | | 5,179 | 5,196 | 6,356 |
| Net Cash Inflows/(Outflows) from Operating Activities | 18 | 1,341 | 212 | (365) |

- a. Reimbursement of maintenance and transfers to the Perpetual Care Trusts are not presented separately for each cemetery in the Budget Papers.

Cemeteries and Crematoria Authority

Statement of Cash Flows - Continued For the Year ended 30 June 2021

| | Note No. | Actual 2021 \$'000 | Original Budget 2021 \$'000 | Actual 2020 \$'000 |
|---|-------------|--------------------------|--------------------------------------|--------------------------|
| Cash Flows from Investing Activities | | | | |
| Receipts | | | | |
| Proceeds from the Sale of Property, Plant and Equipment | | - | - | 28 |
| Total Receipts from Investing Activities | | - | - | 28 |
| Payments | | | | |
| Purchase of Property, Plant and Equipment | | 2,164 | 2,211 | 764 |
| Total Payments from Investing Activities | | 2,164 | 2,211 | 764 |
| Net Cash (Outflows) from Investing Activities | | (2,164) | (2,211) | (736) |
| Payments | | | | |
| Repayment of Carbon Neutral Fund Loan | | 4 | 4 | 5 |
| Total Payments from Financing Activities | | 4 | 4 | 5 |
| Net Cash (Outflows) from Financing Activities | | (4) | (4) | (5) |
| Net (Decrease) in Cash and Cash Equivalents | | (827) | (2,003) | (1,106) |
| Cash and Cash Equivalents at the Beginning of the Year | | 7,943 | 7,944 | 9,049 |
| Cash and Cash Equivalents at the End of the Year | | 7,116 | 5,941 | 7,943 |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Cemeteries and Crematoria Authority

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Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 1. OBJECTIVES OF THE CEMETERIES AND CREMATORIA AUTHORITY

Operations and Principal Activities

The Cemeteries and Crematoria Authority (the Authority) is a not-for-profit independent statutory authority established on 23 August 2020 under the *Cemeteries and Crematoria Act 2020* (new Act). Prior to 23 August 2020 it traded as the ACT Public Cemeteries Authority, also a statutory authority, which had been established on 27 September 2003 under *Cemeteries and Crematoria Act 2003* (old Act). The ACT Public Cemeteries Authority was abolished when the old Act was repealed on 22 August 2020.

The aim of the Authority is to manage public cemeteries and crematoria effectively and efficiently in the ACT. It manages and operates three public cemeteries at Gungahlin, Woden and Hall, a Mausoleum on the grounds of Woden Cemetery and a Crematorium on the grounds of Gungahlin Cemetery. It aims to operate sustainably on a user pays principle to minimise costs to the ACT Government and the community.

Under Section 114 of the new Act, the functions of the Authority are:

- a) to develop, build or operate a facility approved by the Minister under Section 115;
- b) to recognise the rights of people to the dignified and respectful treatment of their human remains and the human remains of their loved ones when operating the facility;
- c) to respect the diverse burial, cremation and interment practices, cultural practices and religious beliefs of people when operating the facility;
- d) to operate the facility in a financially sustainable way;
- e) to promote financially sustainable practices for burying or cremating human remains or interring cremated remains at the facility;
- f) to maintain the facility to an acceptable standard; and
- g) any other function given to the Authority under this Act or another territory law.

The Authority provides a wide range of burial options, including ash interments, to meet the needs of the users of its services. It promotes the pre-purchase of cemetery services, which allows members of the community to plan arrangements ahead of when they are needed.

Construction of the crematorium at Gungahlin Cemetery commenced in June 2020 and the first cremation occurred in February 2021.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 1. OBJECTIVES OF CEMETERIES AND CREMATORIA AUTHORITY (CONTINUED)

Perpetual Care Trust Arrangements

Part 7 Section 103 of the new Act requires a trust to be established for the long-term maintenance of the facilities operated by the Authority. This replaced the four (4) short-term trusts and four (4) long-term trusts which were established under the old Act. Section 208 of the new Act allows for all the funds held in the perpetual care trusts and the perpetual care trust reserves under the old Act to be consolidated into the one new trust. A Regulator is appointed under Part 9 Section 120 of the Act, the establishment of the Trust will be undertaken by the Regulator of the Act as approved by the Minister for City Services (the Minister).

Under Section 106 of the new Act the Minister must determine the percentage (the **Perpetual Care Trust percentage**) of each licensee receipt for the facility that is to be paid into the perpetual care trust. The perpetual care trust percentage is the percentage the Minister considers necessary to ensure there are sufficient funds in the Perpetual Care Trust to adequately maintain the facilities in perpetuity.

Under Section 109 of the new Act there is a requirement to pay the perpetual care trust percentage of a licensee receipt to the trustee no later than 31 October after the end of each financial year. Since there were no PCT percentages determined for the period 23 August 2020 to 30 June 2021 there was no legal obligation or requirement under the new Act to make contributions to the Trust.

Perpetual Care Trusts (Trusts) were established for the Gungahlin Cemetery, Woden Cemetery, Woden Mausoleum and Hall Cemetery in accordance with Section 9 of the old Act. Each Trust was established for the maintenance of the cemetery or mausoleum. The ACT Public Trustee and Guardian is the trustee of these Trusts.

Under the old Act, in accordance with a Ministerial Determination, the Authority was required to:

- provide, to each Trust, the Perpetual Care Trust percentage of revenue for each burial, interment of ashes or memorialisation and spend these funds for maintenance of each cemetery or mausoleum in accordance with the old Act, and
- provide a percentage of revenue as a reserve for further maintenance and related expenditure (the Perpetual Care Trust Reserve Percentage) once a cemetery or a mausoleum is closed.

Under the old Act, the Perpetual Care Trust percentages were determined on a 'full cost' basis allowing not only the direct maintenance costs but also the proportion of indirect overhead and other costs reasonably associated with the management of maintenance. The Authority accounted for each Trust consistently with this full cost basis as revenue recognised by the Authority. This reimbursement of maintenance and related expenditure from each Trust was based on direct maintenance expenditure incurred plus a percentage of indirect expenditure, limited to the amount of revenue transferred to each Trust in each reporting period.

The Trust arrangement required each Trust to have a reserve for future maintenance and related expenditure for perpetuity. The funding of the reserves was determined by the Minister by way of the Perpetual Care Trust Reserve percentages of burial revenue.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 1. OBJECTIVES OF CEMETERIES AND CREMATORIA AUTHORITY (CONTINUED)

Perpetual Care Trust Arrangements (continued)

Both Acts include a requirement to review the PCT percentages at least once every five years. The percentages were last reviewed in 2016 and changed on 1 July 2017. The Minister has not yet determined the PCT percentage under the new Act. The amount in the reserve is set aside for the purpose of long term maintenance and can only be accessed with approval from the Minister.

In accordance with Section 11 of the old Act, the Perpetual Care Trust percentages determined by the Minister for the Trusts for the period 1 July 2020 to 31 July 2020 are:

| Trust | Perpetual Care Trust | Perpetual Care Trust Reserve |
|--------------------|-----------------------------|-------------------------------------|
| Gungahlin Cemetery | 44.9% | 6% |
| Woden Cemetery | 33.8% | 8% |
| Woden Mausoleum | 7.8% | 1% |
| Hall Cemetery | 11.3% | 63% |

The above percentages were the same for the period 1 July 2019 to 30 June 2020.

No payments were made for the month of August as the old Act did not apply for the complete month as confirmed by the Regulator.

Once the Regulator establishes the new Trust all balances of the eight trusts established under the old Act will be consolidated.

ACCRUAL ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting. The financial statements are prepared according to historical cost convention, except Property, Plant and Equipment and financial instruments which are valued at fair value in accordance with revaluation policies applicable to the Authority during the reporting period.

INDIVIDUAL REPORTING ENTITY

The Authority is an individual reporting entity. As the nature of the operations did not materially change from under the old Act to under the new Act, one set of financial statements is required for the period 1 July 2020 to 30 June 2021, as agreed with ACT Treasury.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

LEGISLATIVE REQUIREMENT

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government agencies. The FMA and the Financial Management Guidelines issued under the FMA, requires the Authority's financial statements to include:

- i. an Operating Statement for the year;
- ii. a Balance Sheet at the end of the year;
- iii. a Statement of Changes in Equity for the year;
- iv. a Statement of Cash Flows for the year;
- v. the significant accounting policies adopted for the year; and
- vi. other statements as necessary to fairly reflect the financial operations of the Authority during the reporting period and its financial position at the end of the year.

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. Accordingly, these financial statements have been prepared in accordance with:

- i. Australian Accounting Standards; and
- ii. ACT Accounting and Disclosure Policies.

LICENSEE RECEIPTS

There is a requirement to audit licensee receipts under Section 67 (1) of the *Cemeteries and Crematoria Act 2020*. The licensee receipts for the year are \$3.8m.

GOING CONCERN

These financial statements have been prepared on a going concern basis.

As at 30 June 2021, the Authority's current liabilities exceeds its current assets. However, this shortfall largely results from liabilities being classified as current in the financial statements because they cannot be deferred, even though most are not expected to be paid or recognised as revenue within 12 months of the reporting date.

Therefore, a better indication of the Authority's short-term financial position is provided by excluding the estimated amount of employee benefits that are not expected to be paid and contract liabilities that are not expected to be recognised as revenue within 12 months of the reporting date. When reported current liabilities are adjusted to exclude these amounts, the Authority's current assets (\$7.4m) exceeds its adjusted current liabilities (\$1.1m) by \$6.3m and the adjusted current ratio is 6.6:1 as at 30 June 2021. This indicates the Authority can pay its debts in the short-term, and is therefore considered a going concern.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

CURRENCY

These financial statements are presented in Australian dollars.

BUDGET FIGURES

The FMA requires the statements to facilitate a comparison with the Statement of Intent. The budget numbers are as per the Statement of Intent.

ROUNDING

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of “-” represents zero amounts or amounts rounded down to zero.

IMPACT OF THE COVID-19 PANDEMIC

The Authority assessed the financial impact of the COVID-19 pandemic as not material.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

INCOME NOTES

Revenue Recognition

Revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers where the contract is enforceable and contains sufficiently specific performance obligations, otherwise they are accounted for under AASB 1058 Income of Not-for-Profit Entities.

Note 3. SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS

Sales of Goods and Services from Contracts with Customers are based on the transfer of promised goods and services to customers at an amount that reflects the consideration in exchange for those goods or services. They are legally retained by the Authority and driven by consumer demand and preferences.

Revenue is recognised either over time or at a point in time. The Authority has undertaken a review of information about contracts and other arrangements to determine whether the goods and services it provides need to be classified as revenue from contracts with customers in accordance with AASB 15. Revenue from contracts with customers has been assessed to determine the timing and nature of the satisfaction of performance obligations. Where a contract contains multiple performance obligations, the transaction price is allocated to each distinct performance.

The timing of the receipt of the consideration in respect of the sale of the goods and the rendering of the services largely corresponds with the timing of the satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Sales are generally separated into seven types: allotment, maintenance, burial, crematorium and sales of plaques, monuments and memorial permits. Allotment and maintenance income is recognised immediately when an allotment is paid for as the customer receives the right to allotment upon payment and the maintenance service is an ongoing regular business activity of the Authority. The grounds are regularly maintained and all performance obligations for maintenance are recognised immediately. Burial and cremation services is the performance obligation to a customer and therefore, revenue is recognised at this time. Prepaid burial, cremation services, plaque and memorial permit components of the fees are initially recognised as contract liabilities on the balance sheet as the performance obligation is not considered to be met until the burial and cremation service is provided. The plaque and monument income is recognised when an order is placed, and the performance obligation is the ordering of the personalised plaque or monument. The memorial permit income is recognised when the memorial is assessed for compliance and the performance obligation is met when the permit is provided to the customer.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 3. SALES OF GOODS AND SERVICES FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Allotment Fees ^a | 1,033 | 677 |
| Maintenance Fees ^a | 1,603 | 1,150 |
| Burial Fees ^a | 1,270 | 1,187 |
| Crematorium Fees ^b | 85 | - |
| Plaques, Monuments and Memorial Fees ^c | 383 | 288 |
| Total Sales of Goods and Services from Contracts with Customers | 4,374 | 3,302 |

- a. The increase is due to the Authority increasing the published fees for these services and a higher number of units sold in the reporting period.
- b. The crematorium commenced trading in February 2021, accordingly there was no crematorium revenue in the prior reporting period.
- c. The increase is predominantly due to a higher number of units (stock items) sold in the reporting period.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 4. REIMBURSEMENT OF MAINTENANCE AND RELATED EXPENDITURE INCURRED ON BEHALF OF THE PERPETUAL CARE TRUSTS

Under the old Act the Authority drew funds from the Trusts to reimburse maintenance expenditure. The Authority is reimbursed on a full cost basis.

As described in Note 1. Objectives of the Cemeteries and Crematoria Authority, the reimbursement is limited to the amount of revenue transferred to each Trust in a given reporting period. This only occurred for reimbursements relating to July 2020 as this requirement is no longer applicable under the new Act which commenced on 23 August 2020.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgement has been applied in estimating the costs relating to maintenance and related expenditure incurred on behalf of the Trusts. The Authority was required to spend perpetual care funds of each Trust for the maintenance of each cemetery and mausoleum in accordance with the old Act.

The old Act does not prescribe how 'maintenance' is defined, and consequently does not prescribe how the Trust percentages are determined, except in general terms. The Trust percentages determined by the Minister are used as the basis for the provision of funds for the maintenance of the cemeteries or mausoleum, have been determined on a 'full-cost' basis – i.e. the expenditure incurred against the Trusts will allow for not only the 'direct' cemetery maintenance costs, but also the proportion of 'indirect' costs incurred by the Authority that are associated with the management of the Cemetery and Mausoleum contribution to the Trusts. If in any year, the maintenance costs exceed the Trust contributions for each Cemetery, reimbursements to the Authority are capped to the Trust contribution amount for each Cemetery.

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Woden Cemetery Perpetual Care Trust | 42 | 432 |
| Woden Mausoleum Perpetual Care Trust | - | 7 |
| Gungahlin Cemetery Perpetual Care Trust | 67 | 856 |
| Hall Cemetery Perpetual Care Trust | - | 4 |
| Total Reimbursement of Maintenance and Related Expenditure Incurred on Behalf of the Perpetual Care Trusts ^a | 109 | 1,299 |

- a. The amounts represent the reimbursement received by the Authority from each Perpetual Care Trust for maintenance and related expenditure paid by the Authority on behalf of each Perpetual Care Trust. The decrease is a result of the change in legislation in August, the final reimbursement was for July. There was a corresponding reduction in contributions to the Perpetual Care Trusts for the period August to June.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

EXPENSE NOTES

Note 5. EMPLOYEE EXPENSES

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Wages and Salaries ^a | 1,469 | 1,278 |
| Annual Leave Expense ^a | 119 | 99 |
| Long Service Leave Expense ^a | 19 | 6 |
| Fringe Benefits Tax | 44 | 38 |
| Workers Compensation Insurance Premium ^b | 38 | 158 |
| Total Employee Expenses | 1,689 | 1,579 |

- a. Increases relate to the engagement of a crematorium operator and the permanent appointment of a CEO (previously costed to labour hire), offset by vacant positions.
- b. Workers Compensation premiums are lower because of changes to self-insurance.

Note 6. SUPPLIES AND SERVICES

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Water Charges ^a | 88 | 226 |
| Repairs and Maintenance ^b | 302 | 256 |
| Handling Fees to Funeral Directors | 68 | 48 |
| Insurance and Security | 50 | 41 |
| External and Internal Audit Fees ^c | 145 | 135 |
| Accounting | 114 | 106 |
| Motor Vehicle Expenses | 12 | 19 |
| Consultants, HR and Legal Fees ^d | 279 | 210 |
| Labour Hire ^e | 358 | 501 |
| Electricity, Gas and Cleaning | 51 | 32 |
| Tools, ICT and Computer Consumables | 58 | 55 |
| Board Fees and Charges | 121 | 128 |
| Advertising Fees | 36 | 19 |
| Other | 158 | 118 |
| Total Supplies and Services | 1,840 | 1,894 |

- a. Water consumption was lower as a result of higher than average rainfall in this reporting period.
- b. Repairs and Maintenance was higher predominantly because of repairs to machinery and irrigation systems.
- c. In 2019-20 the Authority paid \$81k to the ACT Audit Office in relation to the audit of the Authority's financial statements. In 2020-21 \$87k is paid / payable for this service which represents an increase of 7.4% on the prior year. The ACT Audit Office did not provide any other services to the Authority in either reporting period.
- d. Consultants and legal fees are higher predominantly due to costs associated with the new crematorium.
- e. The decrease in labour hire costs is primarily due to the prior year amount including costs for an interim CEO who was hired as a contractor.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 7. DEPRECIATION AND AMORTISATION

Depreciation is applied to physical assets such as Buildings, Infrastructure Assets, and Plant and Equipment. Amortisation is used in relation to intangible assets such as software and licences.

Land has an unlimited useful life and is therefore not depreciated.

All depreciation is calculated after first deducting any residual values which remain for each asset.

Depreciation/Amortisation for non-current assets is determined as follows:

| Class of Asset | Depreciation / Amortisation Method | Useful Life (Years) |
|-----------------------|---------------------------------------|---------------------|
| Buildings | Straight Line | 10-100 |
| Infrastructure Assets | Straight Line | 10-100 |
| Plant and Equipment | Straight Line | 2-50 |
| Motor Vehicles | Diminishing Value | 5-10 |
| Computer Software | Straight Line | 4 |

The useful lives of all major assets held are reassessed on an annual basis.

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Depreciation | | |
| Buildings ^a | 67 | 44 |
| Infrastructure Assets | 128 | 118 |
| Plant and Equipment ^a | 164 | 72 |
| Motor Vehicles ^a | 43 | 24 |
| Total Depreciation | 402 | 258 |
| Amortisation | | |
| Intangible Assets | - | 1 |
| Total Amortisation | - | 1 |
| Total Depreciation and Amortisation | 402 | 259 |

a. The increase in depreciation is primarily due to the commencement of the crematorium from February 2021.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 8. TRANSFERS TO THE PERPETUAL CARE TRUSTS

These transfers represent the percentage of revenue transferred to the Trusts that the Authority is required to provide in accordance with Ministerial Determination (Disallowable Instrument DI2017-47).

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Woden Cemetery Perpetual Care Trust | 52 | 534 |
| Woden Mausoleum Perpetual Care Trust | - | 8 |
| Gungahlin Cemetery Perpetual Care Trust | 76 | 971 |
| Hall Cemetery Perpetual Care Trust | - | 24 |
| Total Transfers to the Perpetual Care Trusts ^a | 128 | 1,537 |

- a. The contribution to the trusts was lower as a result of the change in legislation in August 2020, the final payment to the Trust was for July 2020.

| Transfers 2021 | Woden Cemetery \$'000 | Woden Mausoleum \$'000 | Gungahlin Cemetery \$'000 | Hall Cemetery \$'000 |
|------------------------------|--------------------------------------|---------------------------------------|--|-------------------------------------|
| Perpetual Care Trust | 42 | - | 67 | - |
| Perpetual Care Trust Reserve | 10 | - | 9 | - |
| Total Transfers | 52 | - | 76 | - |

| Transfers 2020 | Woden Cemetery \$'000 | Woden Mausoleum \$'000 | Gungahlin Cemetery \$'000 | Hall Cemetery \$'000 |
|------------------------------|--------------------------------------|---------------------------------------|--|-------------------------------------|
| Perpetual Care Trust | 432 | 7 | 857 | 4 |
| Perpetual Care Trust Reserve | 102 | 1 | 114 | 20 |
| Total Transfers | 534 | 8 | 971 | 24 |

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 9. OTHER EXPENSES

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Expensing of Inventories and Capital Works in Progress ^a | 170 | 273 |
| Asset Write Off ^b | 2 | 95 |
| Grants and Purchased Services | 1 | 1 |
| Total Other Expenses | 173 | 368 |

- a. Southern Memorial Park works in progress were expensed as a result of the annual review for impairment.
- b. The Asset Write Off in 2020 relates to the demolition of the Gungahlin cottage.

ASSETS NOTES

ASSETS – CURRENT & NON-CURRENT

Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets which do not fall within the current classification are classified as non-current.

Note 10. CASH AND CASH EQUIVALENTS

Cash includes Cash at Bank, Cash on Hand and on demand deposits. Cash Equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Authority holds a number of bank accounts with the Westpac Banking Corporation as part of whole-of-government banking arrangements. The Authority receives interest on these accounts.

In addition, the Authority holds 'on demand' deposit directly with St. George Bank that earned an average fixed interest rate of 0.86% (1.71% in 2019-20).

The Authority also has funds invested in the ACT Public Trustee and Guardian. These funds earned an average floating interest rate of 0.95% (1.86% in 2019-20).

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Cash at Bank | 1,164 | 806 |
| Short-Term Bank Deposits | 952 | 940 |
| Public Trustee and Guardian Cash Common Fund ^a | 5,000 | 6,197 |
| Total Cash and Cash Equivalents | 7,116 | 7,943 |

- a. The decrease in Public Trustee and Guardian Cash Common Fund is due to the payments for the completion of the crematorium.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 11. INVENTORIES

Inventories include goods and land allocated for interment or memorialisation purposes held for sale, or for consumption in the ordinary course of business operations. It excludes depreciable assets. Inventories are valued at the lower of cost and net realisable value. The cost of land allocated for interment purposes is assigned on the basis of weighted average cost and includes adjacent land and landscaping that add to the amenity of the land for interment.

Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Inventories acquired for no cost or nominal consideration is measured at current replacement cost at the date of acquisition.

Inventories held for distribution are measured at cost, adjusted when applicable, for any loss of service potential and recorded in the Operating Statement.

Inventories are classified as either Work in Progress or Finished Goods. Work in Progress includes undeveloped land and expenditure on inventories partially constructed, but not available for sale. Finished Goods are inventories available for sale to customers including land to be used for interment purposes.

Inventories expected to be sold or utilised within 12 months are recorded as current inventories, with the balance as non-current inventories. In general, this is a 4% to 96% split between current and non-current inventories based on prior year trends.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 11. INVENTORIES (CONTINUED)

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Current Inventories | | |
| Finished Goods | | |
| Land: Interment Purposes | 22 | 40 |
| Mausoleum Crypts and Wall Niches | 94 | 206 |
| Total Finished Goods | 116 | 246 |
| Total Current Inventories | 116 | 246 |
| Non-Current Inventories | | |
| Work in Progress/Undeveloped | | |
| Land: Interment Purposes | 489 | 522 |
| Total Work In Progress/Undeveloped | 489 | 522 |
| Finished Goods | | |
| Land: Interment Purposes | 492 | 360 |
| Mausoleum Crypts and Wall Niches | 1,840 | 1,769 |
| Total Finished Goods | 2,332 | 2,129 |
| Total Non-Current Inventories | 2,821 | 2,651 |
| Total Inventories | 2,937 | 2,897 |

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 12. PROPERTY, PLANT AND EQUIPMENT

ACQUISITION AND RECOGNITION OF PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment assets are initially recorded at cost.

Where Property, Plant and Equipment assets are acquired at no cost, or minimal cost, cost is at fair value as at the date of acquisition.

Items of Property, Plant and Equipment with a value greater than \$5,000 are capitalised.

MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT AFTER INITIAL RECOGNITION

Property, Plant and Equipment assets are measured at fair value.

Property, Plant and Equipment is revalued every three years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Any Accumulated Depreciation relating to depreciable Property, Plant and Equipment at the date of revaluation is written back against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Property, Plant and Equipment assets are recorded at the market value of similar items or depreciated replacement cost as determined by an independent valuer. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. The Authority uses its understanding of current market conditions, as well as comparisons to the value of Property, Plant and Equipment at similar organisations to estimate fair value. The fair value of assets is subject to management assessment between valuation reports.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES - FAIR VALUE OF ASSETS

The Authority has made a significant estimate regarding the fair value of its assets. Land and Buildings have been recorded at the market value of similar properties as determined by an independent valuer. In some circumstances, buildings that are purpose built may in fact realise more or less in the market. Infrastructure Assets have been recorded at fair value based on current replacement cost as determined by an independent valuer. The valuation uses significant judgements and estimates to determine fair value, including the appropriate indexation figure, zoning restrictions and quantum of assets held.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – USEFUL LIVES OF PROPERTY PLANT AND EQUIPMENT

The Authority has made an estimate in determining the useful lives of its Property, Plant and Equipment. The estimation of useful lives of Property, Plant and Equipment is based on the historical experience of similar assets and in some cases has been based on valuations provided by independent valuers. The useful lives are assessed on an annual basis and adjustments are made when necessary.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land including land under roads: The Authority values land under roads at fair value, which is the market value as estimated by an independent valuer. The valuation takes into account the physical and legal permissible use in addition to the current use, alternative use and heritage status of the land. The value of the land under roads is recognised in the total value of Land recorded in Property, Plant and Equipment.

IMPAIRMENT OF ASSETS

The Authority assesses, at each reporting date, whether there is any indication that an asset may be impaired. Assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Any resulting impairment losses for Property, Plant and Equipment are recognised as a decrease in the Asset Revaluation Surplus relating to these classes of assets where possible. This is because these asset classes are measured at fair value and have an Asset Revaluation Surplus attached to them. Where the impairment loss is greater than the balance in the Asset Revaluation Surplus for the relevant class of asset, the difference is expensed in the Operating Statement. The carrying amount of the asset is reduced to its recoverable amount.

Non-financial assets that have previously been impaired are reviewed for possible reversal of impairment at each reporting date.

Property, Plant and Equipment includes the following classes of assets:

- **Land** includes freehold land and land under roads.
- **Buildings** include office buildings and workshops.
- **Infrastructure Assets** include roadways, landscaping and site improvements.
- **Plant and Equipment** includes various gardening and power tools and office equipment.
- **Motor Vehicles** include motor vehicles held by the Authority.

Revaluations were undertaken by Egan National Valuers (ACT) and Pickles Valuations Pty Limited as at 30 June 2020. A market based direct comparison approach was used for Land. The depreciated replacement cost method was used for Buildings and Infrastructure Assets. The market approach was used for Plant and Equipment and Motor Vehicles.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Land | | |
| Land at Fair Value | 47 | 47 |
| Total Land Assets | 47 | 47 |
| Buildings | | |
| Buildings at Fair Value ^a | 3,186 | 1,420 |
| Less: Accumulated Depreciation | (67) | - |
| Total Written Down Value of Buildings | 3,119 | 1,420 |
| Infrastructure Assets | | |
| Infrastructure Assets at Fair Value ^a | 2,779 | 2,554 |
| Less: Accumulated Depreciation | (128) | - |
| Total Written Down Value of Infrastructure | 2,651 | 2,554 |
| Plant and Equipment | | |
| Plant and Equipment at Fair Value ^a | 1,226 | 501 |
| Less: Accumulated Depreciation | (164) | - |
| Total Written Down Value of Plant and Equipment | 1,063 | 501 |
| Motor Vehicles | | |
| Motor Vehicles at Fair Value | 122 | 122 |
| Less: Accumulated Depreciation | (43) | - |
| Total Written Down Value of Motor Vehicles | 79 | 122 |
| Total Written Down Value of Property, Plant and Equipment | 6,959 | 4,644 |

a. The increase in assets relates to the completion of the new crematorium.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

| | Land \$'000 | Buildings \$'000 | Infrastructure Assets \$'000 | Plant and Equipment \$'000 | Motor Vehicles \$'000 | Total \$'000 |
|---|----------------|---------------------|------------------------------------|----------------------------------|-----------------------------|-----------------|
| Year ended 30 June 2021 | | | | | | |
| Carrying Amount at the Beginning of the Reporting Period | 47 | 1,420 | 2,554 | 501 | 122 | 4,644 |
| Additions | - | 1,768 | 225 | 726 | - | 2,719 |
| Depreciation | - | (67) | (128) | (164) | (43) | (402) |
| Disposals | - | (2) | - | - | - | (2) |
| Carrying Amount at the End of the Reporting Period | 47 | 3,119 | 2,651 | 1,063 | 79 | 6,959 |
| | | | | | | |
| | Land \$'000 | Buildings \$'000 | Infrastructure Assets \$'000 | Plant and Equipment \$'000 | Motor Vehicles \$'000 | Total \$'000 |
| Year ended 30 June 2020 | | | | | | |
| Carrying Amount at the Beginning of the Reporting Period | 47 | 1,532 | 2,479 | 184 | 81 | 4,323 |
| Additions | - | - | 19 | 138 | 51 | 208 |
| Depreciation | - | (44) | (118) | (72) | (24) | (258) |
| Disposals ^a | - | (95) | - | (7) | (6) | (108) |
| Increase in the Asset Revaluation Surplus | - | 27 | 174 | 258 | 20 | 479 |
| Carrying Amount at the End of the Reporting Period | 47 | 1,420 | 2,554 | 501 | 122 | 4,644 |

a Disposals for Buildings include the write off of the Gungahlin cottage \$95k.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Fair Value Hierarchy

The Fair Value Hierarchy below reflects the significance of the inputs used in determining fair value. The Fair Value Hierarchy is made up of the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly or indirectly; and
- Level 3 – inputs that are unobservable for particular assets or liabilities.

Details of Property, Plant and Equipment at fair value and information about the Fair Value Hierarchy as at 30 June are as follows:

| | Classification According to the Fair Value Hierarchy | | | |
|--------------------------------------|---|----------------|----------------|---------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 2021 | | | | |
| Property, Plant and Equipment | | | | |
| Land | - | - | 47 | 47 |
| Buildings | - | - | 3,119 | 3,119 |
| Infrastructure Assets | - | - | 2,651 | 2,651 |
| Plant and Equipment | - | 1,063 | - | 1,063 |
| Motor Vehicles | - | 79 | - | 79 |
| Total | - | 1,142 | 5,817 | 6,959 |

| | Classification According to the Fair Value Hierarchy | | | |
|--------------------------------------|---|----------------|----------------|---------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 2020 | | | | |
| Property, Plant and Equipment | | | | |
| Land | - | - | 47 | 47 |
| Buildings | - | - | 1,420 | 1,420 |
| Infrastructure Assets | - | - | 2,554 | 2,554 |
| Plant and Equipment | - | 501 | - | 501 |
| Motor Vehicles | - | 122 | - | 122 |
| Total | - | 623 | 4,021 | 4,644 |

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Valuation Techniques, Inputs and Processes

Level 2 Valuation Techniques and Inputs

Valuation Technique: the valuation technique used to value Plant and Equipment is the market approach that reflects recent transaction prices for similar Plant and Equipment.

Level 3 Valuation Techniques and Significant Unobservable Inputs

Valuation Technique: Land where there is no active market or significant restrictions is valued through the market approach.

Significant Unobservable Inputs: selecting land with similar approximate utility. In determining the value of land with similar approximate utility, significant adjustment to market based data was required.

In determining the value of Land, sales of vacant land with a similar specialised nature and similar restrictive zonings and crown lease purpose clauses have been used for the square metre rate. Given the specialised nature of the property including that the land would have limited alternate use is impacted by restrictive zoning and heritage listing, a lower nominal value was deemed appropriate. The land fair value has been significantly reduced to incorporate the market based data.

Valuation Technique: the valuation of Buildings and Infrastructure Assets were measured using the cost or depreciated replacement costs approach.

Significant Unobservable Inputs: estimating the cost to a market participant to construct assets of comparable utility adjusted for obsolescence. For buildings, historical cost per square metre of floor area was also used in measuring fair value. For infrastructure assets the historical costs per cubic metre was also used in measuring fair value. The valuation of Buildings and Infrastructure Assets was performed by comparing prices and other relevant information generated by market transactions involving comparable land and buildings. Regard was taken of the Crown Lease terms and tenure, The Australian Capital Territory Plan and the National Capital Plan, where applicable, as well as current zoning. Regard was given to the age and condition of the assets, their estimated replacement cost and current use. This required the use of data internal from the Authority.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Fair Value Measurements using Significant Unobservable Inputs (Level 3)

| | Land | Buildings | Infrastructure Assets |
|---|-----------|--------------|--------------------------|
| | \$'000 | \$'000 | \$'000 |
| 2021 | | | |
| Fair Value at the Beginning of the Reporting Period | 47 | 1,420 | 2,554 |
| Additions | - | 1,768 | 225 |
| Depreciation | - | (67) | (128) |
| Disposal | - | (2) | - |
| Fair Value at the End of the Reporting Period | 47 | 3,119 | 2,651 |
| 2020 | | | |
| Fair Value at the Beginning of the Reporting Period | 47 | 1,532 | 2,479 |
| Additions | - | - | 19 |
| Depreciation | - | (44) | (118) |
| Disposal | - | (95) | - |
| Revaluation Increments recognised in Other Comprehensive Income | - | 27 | 174 |
| Fair Value at the End of the Reporting Period | 47 | 1,420 | 2,554 |

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 13. CAPITAL WORKS IN PROGRESS

Capital Works in Progress are assets under construction over more than one reporting period, and are recorded at cost. These assets often require extensive installation work or integration with other assets, in contrast with more simple assets that are ready for use when acquired, for example, motor vehicles and equipment. Capital Works in Progress assets are not depreciated until completion and transfer to Property, Plant and Equipment.

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Reconciliation of Capital Works in Progress | | |
| Carrying Amount at the Beginning of the Reporting Period | 725 | 443 |
| Additions ^a | - | 555 |
| Transfer to Expenditure ^b | (171) | (273) |
| Transfer to Property, Plant and Equipment ^a | (554) | - |
| Carrying Amount at the End of the Reporting Period | - | 725 |

- a. The additions in 2020 related to the development of the new crematorium. The new crematorium commenced operations in February 2021.
- b. The Transfer to Expenditure was associated with Southern Memorial Park, arising from the annual review for impairment.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

LIABILITIES NOTES

LIABILITIES – CURRENT AND NON-CURRENT

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities which do not fall within the current classification are classified as non-current.

Note 14. PAYABLES

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within thirty days after the invoice date.

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Current Payables | | |
| Trade Payables | 247 | 91 |
| Accrued Payables | 81 | 152 |
| Goods and Services Tax Payable | 153 | 118 |
| Total Current Payables (excluding Perpetual Care Trust Payables) | 481 | 361 |
| Perpetual Care Trust Payables | | |
| Woden Cemetery Perpetual Care Trust | - | 8 |
| Gungahlin Cemetery Perpetual Care Trust | - | 9 |
| Hall Cemetery Perpetual Care Trust | - | 1 |
| Total Perpetual Care Trust Payables | - | 18 |
| Total Current Payables | 481 | 379 |
| Total Payables | 481 | 379 |
| Payables are aged as follows: | | |
| Not Overdue | 481 | 379 |
| Total | 481 | 379 |

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 14. PAYABLES (CONTINUED)

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Classification of ACT Government/Non-ACT Government | | |
| Payables with ACT Government Entities | | |
| Trade Payables | 121 | (2) |
| Other Payables | 51 | 83 |
| Total Payables with ACT Government Entities | 172 | 81 |
| Payables with Non-ACT Government Entities | | |
| Trade Payables | 126 | 93 |
| Other Payables | 30 | 69 |
| Goods and Services Tax Payables | 153 | 118 |
| Other Payables - Perpetual Care Trusts | - | 18 |
| Total Payables with Non-ACT Government Entities | 309 | 298 |
| Total Payables | 481 | 379 |

Note 15. EMPLOYEE BENEFITS

WAGES AND SALARIES

Accrued Wages and Salaries are measured at the amount that remains unpaid to employees at the end of the reporting period.

ANNUAL AND LONG SERVICE LEAVE

Annual and Long Service Leave including applicable on-costs that are not expected to be wholly settled before 12 months after the end of the reporting period when the employees render the related service, are measured at the present value of estimated future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the future wage and salary levels, experience of employee departures and periods of service. At the end of each reporting period, the present value of future Annual Leave and Long Service Leave payments is estimated using market yields on Commonwealth Government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Annual Leave liabilities have been estimated on the assumption they will be wholly settled within three years. In 2020-21 the rates used to estimate the present value of future obligations for:

- Annual Leave is 100.2% (100.9% in 2019-20); and
- Long Service Leave is 108.7% (113.6% in 2019-20).

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 15. EMPLOYEE BENEFITS (CONTINUED)

The Long Service Leave liability is estimated with reference to the minimum period of qualifying service. For employees with less than the required minimum period of seven years of qualifying service, the probability that employees will reach the required minimum period has been taken into account in estimating the provision for Long Service Leave and applicable on-costs.

The Provision for Annual Leave and Long Service Leave includes estimated on-costs. As these on-costs only become payable if the employee takes annual and Long Service Leave while in-service, the probability that employees will take Annual and Long Service Leave while in service has been taken into account in estimating the liability for on-costs.

Annual Leave and Long Service Leave liabilities are classified as current liabilities in the Balance Sheet where there are no unconditional rights to defer the settlement of the liability for at least 12 months. Conditional Long Service Leave liabilities are classified as non-current because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

SIGNIFICANT JUDGEMENTS AND ESTIMATES – EMPLOYEE BENEFITS

Significant judgements have been applied in estimating the liability for Employee Benefits. The estimated liability for Annual and Long Service Leave requires a consideration of the future wage and salary levels, experience of employee departures, probability that leave will be taken in service and periods of service. The estimate also includes an assessment of the probability that employees will meet the minimum service period required to qualify for Long Service Leave and that on-costs will become payable.

The significant judgements and assumptions included in the estimation of Annual and Long Service Leave liabilities include an assessment by an actuary. The Australian Government Actuary performed this assessment in April 2019. The next actuarial review is expected to be undertaken in early 2022.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 15. EMPLOYEE BENEFITS (CONTINUED)

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Current Employee Benefits | | |
| Annual Leave | 206 | 180 |
| Long Service Leave | 241 | 260 |
| Accrued Salaries | 31 | 21 |
| Other Employee Benefits | 4 | 3 |
| Total Current Employee Benefits | 482 | 464 |
| Non-Current Employee Benefits | | |
| Long Service Leave | 30 | 35 |
| Total Non-Current Employee Benefits | 30 | 35 |
| Total Employee Benefits | 512 | 499 |
| Estimate of When Leave is Payable | | |
| Estimated Amount Payable within 12 Months | | |
| Annual Leave | 115 | 18 |
| Long Service Leave | 75 | 29 |
| Accrued Salaries | 31 | 21 |
| Other Employee Benefits | 4 | 3 |
| Total Employee Benefits Payable within 12 Months | 225 | 71 |
| Estimated Amount Payable after 12 Months | | |
| Annual Leave | 91 | 162 |
| Long Service Leave | 196 | 266 |
| Total Employee Benefits Payable after 12 Months | 287 | 428 |
| Total Employee Benefits ^a | 512 | 499 |
| Full-time equivalent employees as at 30 June | 17 | 16 |

- a. The change from the prior year is due to the change in the methodology in estimating amounts payable within 12 months. The amount payable within 12 months is based on actual expenditure incurred over 3 years.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 16. CONTRACT LIABILITIES

A contract liability is recorded when an amount of consideration is received from a customer prior to the Authority transferring a good or service to the customer.

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Current Contract Liabilities | | |
| Burial Fees Contract Liabilities | 7,490 | 6,950 |
| Plaque Fees Contract Liabilities | 1,402 | 1,337 |
| Memorial Permit Contract Liabilities | 216 | 100 |
| Total Current Contract Liabilities | 9,108 | 8,387 |
| Estimate of When Contract Liabilities will be Recognised as Revenue | | |
| | 2021 \$'000 | 2020 \$'000 |
| Estimated Contract Liabilities Recognised as Revenue within 12 Months | | |
| Burial Fees Contract Liabilities | 329 | 695 |
| Plaque Fees Contract Liabilities | 62 | 134 |
| Memorial Permit Contract Liabilities | 10 | 10 |
| Total Estimated Contract Liabilities Recognised as Revenue within 12 Months | 401 | 839 |
| Estimated Contract Liabilities Recognised as Revenue after 12 Months | | |
| Burial Fees Contract Liabilities | 7,161 | 6,255 |
| Plaque Fees Contract Liabilities | 1,340 | 1,203 |
| Memorial Permit Contract Liabilities | 206 | 90 |
| Total Estimated Contract Liabilities Recognised as Revenue after 12 Months | 8,707 | 7,548 |
| Total Contract Liabilities | 9,108 | 8,387 |

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 17. FINANCIAL INSTRUMENTS

Interest Rate Risk

Interest Rate Risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

A significant portion of financial assets are held in floating interest rate arrangements. Interest rate risk for these assets is managed by only investing in floating interest rate investments that are low risk.

The Authority is exposed to movements in interest receivable. Interest rates increased and an increase in the average cash balances led to the Authority receiving increased interest revenue.

The borrowings under Carbon Neutral Government Fund are interest free. All other financial liabilities are non-interest bearing, therefore the Authority is not exposed to movements in interest payable.

There have been no changes in risk exposure or processes for managing risk since the last reporting period.

Sensitivity Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Authority as it has been determined that the possible impact on income and expenses or total equity from fluctuations in interest rates is immaterial.

Credit Risk

Credit Risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority's credit risk is limited to the amount of the financial assets it holds net of any allowance for impairment. The Authority expects to collect all financial assets that are not past due or impaired.

The Authority holds its cash and cash equivalents with the Westpac Banking Corporation, St. George Bank and the Public Trustee and Guardian for the ACT. There is insignificant credit risk for funds held with the Westpac Banking Corporation, St. George and the ACT Public Trustee and Guardian. The Authority manages credit risk by investing only with Approved Deposit Funds (funds that are regulated by the Australian Prudential Regulation Authority (APRA)).

The Authority also manages credit risk for the Trusts and is confident that the actuarial model by which each Trust receives revenue will enable the Trusts to continue to operate and meet their obligations in the long term.

There have been no significant changes in credit risk exposure or processes for managing credit risk since the last reporting period.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 17. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity Risk

Liquidity Risk is the risk that the Authority will encounter difficulties in meeting obligations associated with its liabilities that are settled by delivering cash or another financial asset.

The Authority has expanded its business to include a crematorium. This is expected to improve its liquidity in the future.

Fair Value of Financial Assets and Liabilities

The carrying amount of Financial Assets and Liabilities at the end of the reporting period are:

| | Carrying Amount 2021 \$'000 | Carrying Amount 2020 \$'000 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Financial Assets | | |
| Cash and Cash Equivalents | 7,116 | 7,943 |
| Receivables | 68 | 53 |
| Total Financial Assets | 7,184 | 7,996 |
| Financial Liabilities | | |
| Payables | 247 | 145 |
| Borrowings | 24 | 29 |
| Total Financial Liabilities | 271 | 174 |

The fair value of financial assets and liabilities approximates their carrying amount.

Non-Interest Bearing amounts reflected as Receivables is calculated by taking the total Receivable amounts less Goods and Services Tax Receivable and Accrued Receivables.

Non-Interest Bearing amounts reflected as Payables are calculated by taking the total Payable amounts less Goods and Services Tax Payable and Accrued Payables.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 17. FINANCIAL INSTRUMENTS (CONTINUED)

The following table sets out the Authority's maturity analysis for the Financial Assets and Liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2021. Except for Non-Current Payables, Financial Assets and Liabilities which have a floating interest rate, or are non-interest bearing, will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

| | Note No. | Weighted Average Effective Interest Rate % | Floating Interest Rate 2021 \$'000 | Fixed Interest Maturing In: | | | Non-Interest Bearing \$'000 | Total \$'000 |
|---|----------|--|------------------------------------|-----------------------------|-------------------------------|---------------------|-----------------------------|--------------|
| | | | | 1 Year or Less \$'000 | Over 1 Year to 5 Years \$'000 | Over 5 Years \$'000 | | |
| Financial Assets | | | | | | | | |
| Cash and Cash Equivalents | 10 | 0.95 | 6,164 | 952 | - | - | - | 7,116 |
| Receivables | | | - | - | - | - | 68 | 68 |
| Total Financial Assets | | | 6,164 | 952 | - | - | 68 | 7,184 |
| Financial Liabilities | | | | | | | | |
| Payables | 14 | | - | - | - | - | 247 | 247 |
| Borrowings | | | - | - | - | - | 24 | 24 |
| Total Financial Liabilities | | | - | - | - | - | 271 | 271 |
| Net Financial Assets / (Liabilities) | | | 6,164 | 952 | - | - | (203) | 6,913 |

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 17. FINANCIAL INSTRUMENTS (CONTINUED)

The following table sets out the Authority's maturity analysis for the Financial Assets and Liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period at 30 June 2020. Except for Non-Current Payables, Financial Assets and Liabilities which have a floating interest rate, or are non-interest bearing, will mature in one year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

| | Note No. | Weighted Average Effective Interest Rate % | Floating Interest Rate 2020 \$'000 | Fixed Interest Maturing In: | | | Non-Interest Bearing \$'000 | Total \$'000 |
|---|----------|--|------------------------------------|-----------------------------|-------------------------------|---------------------|-----------------------------|--------------|
| | | | | 1 Year or Less \$'000 | Over 1 Year to 5 Years \$'000 | Over 5 Years \$'000 | | |
| Financial Assets | | | | | | | | |
| Cash and Cash Equivalents | 10 | 1.79 | 7,003 | 940 | - | - | - | 7,943 |
| Receivables | | | - | - | - | - | 53 | 53 |
| Total Financial Assets | | | 7,003 | 940 | - | - | 53 | 7,996 |
| Financial Liabilities | | | | | | | | |
| Payables | 14 | | - | - | - | - | 145 | 145 |
| Borrowings | | | - | - | - | - | 29 | 29 |
| Total Financial Liabilities | | | - | - | - | - | 174 | 174 |
| Net Financial Assets / (Liabilities) | | | 7,003 | 940 | - | - | (121) | 7,822 |

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 17. FINANCIAL INSTRUMENTS (CONTINUED)

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Carrying Amount of Each Category of Financial Asset and Financial Liability | | |
| Financial Assets | | |
| Financial Assets Measured at Amortised Cost | 68 | 53 |
| Financial Liabilities | | |
| Financial Liabilities Measured at Amortised Cost | 271 | 174 |

There are no Gains/Losses on Financial Assets or Financial Liabilities.

Note 18. CASH FLOW RECONCILIATION

(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Statement of Cash Flows to the Equivalent items in the Balance Sheet

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Total Cash and Cash Equivalents recorded in the Balance Sheet | 7,116 | 7,943 |
| Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows | 7,116 | 7,943 |

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 18. CASH FLOW RECONCILIATION (CONTINUED)

(b) Reconciliation of Operating (Deficit) to Net Cash Inflows from Operating Activities

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Total Cash and Cash Equivalents recorded in the Balance Sheet | 7,116 | 7,943 |
| Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Statement of Cash Flows | 7,116 | 7,943 |
| | 2021 | 2020 |
| | \$'000 | \$'000 |
| Operating (Deficit) | (87) | (1,226) |
| Add (Less) Non - Cash Items | | |
| Depreciation | 402 | 258 |
| Amortisation | - | 1 |
| Expense of Capital Work in Progress | 171 | 273 |
| Assets Write Off | 2 | 95 |
| Interest-free Borrowings | 1 | - |
| Add/(Less) Items Classified as Investing or Financing | | |
| Net (Gain) on Disposal of Assets | - | (15) |
| Cash Before Changes in Operating Assets and Liabilities | 489 | (614) |
| Changes in Operating Assets and Liabilities | | |
| Decrease/(Increase) in Receivables | 50 | (95) |
| (Increase) in Inventories | (40) | (84) |
| Decrease/(Increase) in Prepayments | 8 | (5) |
| Increase in Payables | 101 | 61 |
| Increase/(Decrease) in Employee Benefits | 13 | (102) |
| Increase in Contract Liabilities | 720 | 474 |
| Net Changes in Operating Assets and Liabilities | 852 | 249 |
| Net Cash Inflows/(Outflows) from Operating Activities | 1,341 | (365) |

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 19. RELATED PARTY DISCLOSURES

A related party is a person who controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly.

KMP of the Authority are the Portfolio Minister, the Authority Board Members and the Chief Executive Officer.

The Head of Service and the ACT Executive comprising the Cabinet Ministers are KMP of the ACT Government and therefore related parties of the Authority.

This Note does not include typical citizen transactions between the KMP and the Authority that occur on terms and conditions no different to those applying to the general public.

(A) CONTROLLING ENTITY

The Authority is an ACT Government controlled entity.

(B) KEY MANAGEMENT PERSONNEL

Compensation of Key Management Personnel

Compensation of all Cabinet Ministers, including the Portfolio Minister, is disclosed in the note on related party disclosures included in the ACT Executive's Financial Statements for the year ended 30 June 2021.

Compensation of the Head of Service is included in the note on related party disclosures included in the Chief Minister, Treasury and Economic Development Directorate's (CMTEDD) Financial Statements for the year ended 30 June 2021.

Compensation by the Authority to KMP is set out below.

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Short-term employee benefits ^a | 255 | 314 |
| Post employment benefits | 11 | 29 |
| Other long-term benefits | 7 | 4 |
| Board member fees ^b | 96 | 115 |
| Total Compensation by The Authority to KMP | 369 | 462 |

- a. The decrease is due to overlapping CEO appointments in 2020, including an appointed contractor, an arrangement which incurs higher costs.
- b. The decrease is due to the Authority holding less Special Project Sub-Committee meetings in 2021.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 19. RELATED PARTY DISCLOSURES (CONTINUED)

(C) TRANSACTIONS WITH OTHER ACT GOVERNMENT CONTROLLED ENTITIES

All transactions with ACT Government controlled entities are disclosed in the relevant Notes to the Financial Statements of the Authority.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 20. BUDGETARY REPORTING

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Significant judgements have been applied in determining what variances are considered 'major variances'. Variances are considered major if both of the following criteria are met:

- the line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of the sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the Financial Statements; and
- the variances (original budget to actual) are greater than plus (+) or minus (-) 2.5% and \$500,000 of the budget for the financial statement line item.

Original Budget refers to the amounts presented to the Legislative Assembly in the original 2020-21 Budgeted Financial Statements.

Cemeteries and Crematoria Authority

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 20. BUDGETARY REPORTING (CONTINUED)

| Operating Statement Line Items Balance Sheet Line Item | Actual 2021 \$'000 | Budget 2021 \$'000 | Variance \$'000 | Variance % | Variance Explanation |
|---|--------------------------|--------------------------|--------------------|---------------|--|
| Cash and Cash Equivalents | 7,116 | 5,941 | 1,175 | 20 | The variance is predominantly due to: a) higher sales of goods and services to customers, b) lower contributions to the Perpetual Care Trusts, and c) lower Workers Compensation expenses |

Statement of Cash Flows Line Item

Receipts

| | | | | | |
|---|-------|-------|-----|----|---|
| Sales of Goods and Services from Contracts with Customers | 5,083 | 4,575 | 508 | 11 | The increase is due to higher than budgeted revenue from pre-purchased allotment sales, higher than budgeted interments (at need) and a favourable product mix. |
|---|-------|-------|-----|----|---|

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Note 21. COMMITMENTS

The amount shown in the Commitments Note is inclusive of Goods and Services Tax.

Other Commitments

Other commitments contracted at reporting date but not recognised as liabilities, are payable as follows:

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Within one year | 195 | - |
| Later than one year but not later than five years | - | - |
| Later than five years | - | - |
| Total Other Commitments | 195 | - |

A commitment has been made to purchase a replacement backhoe.

INDEPENDENT AUDITOR'S REPORT

GUNG AHLIN CEMETERY, HALL CEMETERY, WODEN CEMETERY AND WODEN MAUSOLEUM PERPETUAL CARE TRUSTS

To the Members of the ACT Legislative Assembly

Opinion

I have audited the special purpose financial statements (financial statements) of the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (Trusts) for the period from 1 July 2020 to 22 August 2020. The financial statement comprises operating statements, balance sheets, statements of changes in equity, statements of cash flows for the Trusts and accompanying notes.

In my opinion, the financial statements:

- (i) is presented in accordance with the financial reporting requirements of the *Cemeteries and Crematoria Act 2003* as described in Note 1 a) of the financial statements; and
- (ii) presents fairly the financial position of the Trusts as at 22 August 2020, and results of their operations and cash flows for the period from 1 July 2020 to 22 August 2020.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of this report.

I am independent of the Trusts in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

Without modifying the audit opinion, I draw attention to Note 1 a) of the financial statements which describes the purpose of the financial statements and the basis of accounting used to prepare the financial statements.

The special purpose financial statements for the Trusts has been prepared to fulfil financial reporting responsibilities under the *Cemeteries and Crematoria Act 2003*. As a result, the financial statements may not be suitable for another purpose.

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Responsibility for preparing and fairly presenting the financial statements

The Governing Board of the Cemeteries and Crematoria Authority (Governing Board) is responsible for preparing and fairly presenting the financial statements in accordance with the financial reporting requirements of the *Cemeteries and Crematoria Act 2003*.

This includes responsibility for determining internal controls necessary for the preparation and fair presentation of financial statements so that they are free from material misstatements, whether due to error or fraud.

Auditor's responsibilities for the audit of the financial statements

Under the *Cemeteries and Crematoria Act 2003*, I am responsible for issuing an independent auditor's report that includes an opinion on whether the financial statements of the Trusts fairly present, in accordance with the reporting requirements of the *Cemeteries and Crematoria Act 2003*.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Trusts' internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trusts; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Governing Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Sharma
Assistant Auditor-General, Financial Audit
3 September 2021

**GUNGAHLIN CEMETERY, HALL CEMETERY,
WODEN CEMETERY AND WODEN
MAUSOLEUM**

PERPETUAL CARE TRUSTS

SPECIAL PURPOSE FINANCIAL STATEMENTS

**FOR THE PERIOD FROM
1 JULY 2020 TO 22 AUGUST 2020**

PERPETUAL CARE TRUSTS

INDEPENDENT AUDITOR'S REPORT

PERPETUAL CARE TRUSTS

SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JULY 2020 TO 22 AUGUST 2020

DECLARATION BY THE BOARD

I, the Chairperson of the ACT Public Cemeteries Authority, declare that:

1. the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (the Trusts) are not reporting entities and that these special purpose financial statements were prepared in accordance with the accounting policies outlined in Note 1 to the financial statements; and
2. the financial statements and Notes present fairly the financial operations of each Trust for the period from 1 July 2020 to 22 August 2020 and the financial position of each Trust as at 22 August 2020, in accordance with accounting policies described in Note 1 to the special purpose financial statements.

On behalf of the Board



Neale Guthrie
Chairperson
ACT Public Cemeteries Authority
September 2021

PERPETUAL CARE TRUSTS

SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE PERIOD 1 JULY 2020 TO 22 AUGUST 2020

DECLARATION BY THE CHIEF EXECUTIVE OFFICER

I, the Chief Executive Officer of the ACT Public Cemeteries Authority, declare that:

1. the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (the Trusts) are not reporting entities and that these Special Purpose Financial Statements were prepared in accordance with the accounting policies outlined in Note 1 to the special purpose financial statements; and
2. the special purpose financial statements and Notes are in agreement with accounts and records of each Trust, and present fairly the financial operations of each Trust for the period from 1 July 2020 to 22 August 2020 and the financial position of each Trust as at 22 August 2020, in accordance with accounting policies described in Note 1 to the special purpose financial statements.



Philip Shelley
Chief Executive Officer
ACT Public Cemeteries Authority
September 2021

PERPETUAL CARE TRUSTS
OPERATING STATEMENTS
FOR THE PERIOD FROM 1 JULY 2020 TO 22 AUGUST 2020

| | Note No. | Gungahlin Cemetery | | Hall Cemetery | | Woden Cemetery | | Woden Mausoleum | |
|---|----------|--------------------|--------------|---------------|-------------|----------------|-------------|-----------------|-------------|
| | | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 |
| Income | | | | | | | | | |
| Interest | | - | 1 | - | - | - | 2 | - | 2 |
| Dividend Income | | 40 | 59 | 8 | 12 | 134 | 195 | 18 | 27 |
| Funding from the ACT Public Cemeteries Authority in accordance with the <i>Cemeteries and Crematoria Act 2003</i> | 1 b) | 76 | 971 | - | 24 | 52 | 534 | - | 8 |
| Gain on Investments | | 27 | - | 5 | - | 90 | - | 12 | - |
| Total Income | | 143 | 1,031 | 13 | 36 | 276 | 731 | 30 | 37 |
| Expenses | | | | | | | | | |
| Reimbursement of Maintenance and Related Expenditure incurred by the ACT Public Cemeteries Authority | 1 b) | 67 | 857 | - | 4 | 42 | 432 | - | 7 |
| Bank Charges | | 2 | 3 | 0 | 1 | 7 | 10 | 1 | 1 |
| Loss on Investments | | - | 62 | - | 12 | - | 209 | - | 29 |
| Total Expenses | | 69 | 922 | 0 | 17 | 49 | 651 | 1 | 37 |
| Operating Surplus | | 74 | 109 | 13 | 19 | 227 | 80 | 29 | - |
| Total Comprehensive Income | | 74 | 109 | 13 | 19 | 227 | 80 | 29 | - |

The above Operating Statements should be read in conjunction with the accompanying Notes.

PERPETUAL CARE TRUSTS
BALANCE SHEETS
AT 22 AUGUST 2020

| | | Gungahlin Cemetery | | Hall Cemetery | | Woden Cemetery | | Woden Mausoleum | |
|---------------------------|--|--------------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|
| Note No. | | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 |
| Current Assets | | | | | | | | | |
| | Cash and Cash Equivalents | 278 | 222 | | | | | | |
| 2 | Receivables - ACT Public Cemeteries Authority | - | 9 | - | 30 | 373 | 228 | 305 | 288 |
| | Total Current Assets | 278 | 231 | 38 | 31 | 373 | 236 | 305 | 288 |
| Non-Current Assets | | | | | | | | | |
| | Investments | 1,887 | 1,860 | 372 | 366 | 6,259 | 6,169 | 841 | 829 |
| 3 | Total Non-Current Assets | 1,887 | 1,860 | 372 | 366 | 6,259 | 6,169 | 841 | 829 |
| | Total Assets | 2,165 | 2,091 | 410 | 397 | 6,632 | 6,405 | 1,146 | 1,117 |
| | Net Assets | 2,165 | 2,091 | 410 | 397 | 6,632 | 6,405 | 1,146 | 1,117 |
| Equity | | | | | | | | | |
| | Reserves for Maintenance and Related Expenditure | 2,165 | 2,091 | 410 | 397 | 6,632 | 6,405 | 1,146 | 1,117 |
| | Total Equity | 2,165 | 2,091 | 410 | 397 | 6,632 | 6,405 | 1,146 | 1,117 |

The above Balance Sheets should be read in conjunction with the accompanying Notes.

PERPETUAL CARE TRUSTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 JULY 2020 TO 22 AUGUST 2020

| | Gungahlin Cemetery | | | Hall Cemetery | | | Woden Cemetery | | | Woden Mausoleum | | |
|--------------------------------------|---------------------------------------|----------------------------|--------------|---------------------------------------|----------------------------|--------------|---------------------------------------|----------------------------|--------------|---------------------------------------|----------------------------|--------------|
| | Accumulated Surplus/ (Deficit) \$'000 | Maintenance Reserve \$'000 | Total \$'000 | Accumulated Surplus/ (Deficit) \$'000 | Maintenance Reserve \$'000 | Total \$'000 | Accumulated Surplus/ (Deficit) \$'000 | Maintenance Reserve \$'000 | Total \$'000 | Accumulated Surplus/ (Deficit) \$'000 | Maintenance Reserve \$'000 | Total \$'000 |
| 2021 | - | 2,091 | 2,091 | - | 397 | 397 | - | 6,405 | 6,405 | - | 1,117 | 1,117 |
| Balance at 1 July 2020 | | | | | | | | | | | | |
| Comprehensive Income | 74 | - | 74 | 13 | - | 13 | 227 | - | 227 | 29 | - | 29 |
| Operating Surplus | 74 | - | 74 | 13 | - | 13 | 227 | - | 227 | 29 | - | 29 |
| Total Comprehensive Income | | | | | | | | | | | | |
| Transfer to the Maintenance Reserves | (74) | 74 | - | (13) | 13 | - | (227) | 227 | - | (29) | 29 | - |
| Balance at 22 August 2020 | - | 2,165 | 2,165 | - | 410 | 410 | - | 6,632 | 6,632 | - | 1,146 | 1,146 |

| | Gungahlin Cemetery | | | Hall Cemetery | | | Woden Cemetery | | | Woden Mausoleum | | |
|--------------------------------------|----------------------------|----------------------------|--------------|----------------------------|----------------------------|--------------|----------------------------|----------------------------|--------------|----------------------------|----------------------------|--------------|
| | Accumulated Surplus \$'000 | Maintenance Reserve \$'000 | Total \$'000 | Accumulated Surplus \$'000 | Maintenance Reserve \$'000 | Total \$'000 | Accumulated Surplus \$'000 | Maintenance Reserve \$'000 | Total \$'000 | Accumulated Surplus \$'000 | Maintenance Reserve \$'000 | Total \$'000 |
| 2020 | - | 1,982 | 1,982 | - | 378 | 378 | - | 6,325 | 6,325 | - | 1,117 | 1,117 |
| Balance at 1 July 2019 | | | | | | | | | | | | |
| Operating Surplus | 109 | - | 109 | 19 | - | 19 | 80 | - | 80 | - | - | - |
| Total Comprehensive Income | | | | | | | | | | | | |
| Transfer to the Maintenance Reserves | (109) | 109 | - | (19) | 19 | - | (80) | 80 | - | - | - | - |
| Balance at 30 June 2020 | - | 2,091 | 2,091 | - | 397 | 397 | - | 6,405 | 6,405 | - | 1,117 | 1,117 |

The above Statements of Changes in Equity should be read in conjunction with the accompanying Notes.

PERPETUAL CARE TRUSTS

STATEMENTS OF CASH FLOWS

FOR THE PERIOD FROM 1 JULY 2020 TO 22 AUGUST 2020

| Note No. | Gungahlin Cemetery | | Hall Cemetery | | Woden Cemetery | | Woden Mausoleum | |
|--|--------------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|
| | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 |
| Cash Flows from Operating Activities | | | | | | | | |
| Receipts | | | | | | | | |
| Interest Received | - | 1 | - | - | 0 | 2 | - | 2 |
| Funding received from the ACT Public Cemeteries Authority | 156 | 1,061 | 1 | 20 | 94 | 593 | - | 8 |
| Total Receipts from Operating Activities | 156 | 1,062 | 1 | 20 | 94 | 595 | - | 10 |
| Payments | | | | | | | | |
| Bank Charges | 2 | 3 | 1 | 1 | 7 | 9 | 1 | 1 |
| Reimbursement to the ACT Public Cemeteries Authority for Maintenance and Related Expenditure | 137 | 936 | - | 3 | 76 | 480 | - | 7 |
| Total Payments from Operating Activities | 139 | 939 | 1 | 4 | 83 | 489 | 1 | 8 |
| Net Cash Inflows from Operating Activities | 16 | 123 | - | 16 | 11 | 106 | (1) | 2 |
| Cash Flows from Investing Activities | | | | | | | | |
| Receipts | | | | | | | | |
| Dividends Received | 40 | 59 | 8 | 12 | 134 | 195 | 18 | 27 |
| Total Receipts from Investing Activities | 40 | 59 | 8 | 12 | 134 | 195 | 18 | 27 |
| Payments | | | | | | | | |
| Payments for Investments | - | 157 | - | 24 | 0 | 360 | - | 28 |
| Total Payments from Investing Activities | - | 157 | - | 24 | 0 | 360 | - | 28 |
| Net Cash (Outflows)/Inflows from Investing Activities | 40 | (98) | 8 | (12) | 134 | (165) | 18 | (1) |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 56 | 25 | 8 | 4 | 145 | (59) | 17 | 1 |
| Cash and Cash Equivalents at the Beginning of the Year | 222 | 197 | 30 | 26 | 228 | 287 | 288 | 287 |
| Cash and Cash Equivalents at the End of the Year | 278 | 222 | 38 | 30 | 373 | 228 | 305 | 288 |

The above Statements of Cash Flows should be read in conjunction with the accompanying Notes

PERPETUAL CARE TRUSTS

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JULY TO 22 AUGUST 2020

1. Summary of Significant Accounting Policies

This Note provides a list of all significant accounting policies adopted in preparation of these Special Purpose Financial Statements (Statements). These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation and Reporting Framework

These Statements are Special Purpose Financial Statements prepared to comply with the requirements of Section 16B of the *Cemeteries and Crematoria Act 2003* (the Act) and related 'Guidelines for the Perpetual Care Trust Calculations of Maintenance 2017' (the Guidelines) issued by the Transport Canberra and City Services Directorate as the Regulator under the Act. The Governing Board of the ACT Public Cemeteries Authority has determined that the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum Perpetual Care Trusts (PCTs) are not reporting entities.

The significant accounting policies adopted in the preparation of the special purpose financial statements are set out below:

- revenue and expenses transactions were calculated and recognised to comply with the requirements of the Act and Guidelines as disclosed in the Note 1 b);
- other transactions were recorded on an accruals and historical cost basis, except for investments that are measured at fair value; and
- an operating statement, a balance sheet, a statement of changes of equity and a statement of cash flows was prepared for each PCT to comply with the above requirements.

These statements are not consolidated financial statements as each PCT reported separately and funds were only used for the applicable PCT.

The accounting policies are consistent with the previous period unless stated otherwise.

PERPETUAL CARE TRUSTS
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JULY 2020 TO 22 AUGUST 2020

1. Summary of Significant Accounting Policies (Continued)

b) Perpetual Trust Arrangements

The financial statements are reporting for the period from 1 July 2020 to 22 August 2020 as the *Cemeteries and Crematoria Act 2003* was repealed on the 22 August 2020. The *Cemeteries and Crematoria Act 2020* commenced on 23 August 2020. Section 12 of the *Cemeteries and Crematoria Act 2003* required a contribution of the Perpetual Care Trust percentage to the Public Trustee and Guardian as soon as possible after the end of the month in which the operator receives the operator receipt, as the Act was repealed prior to the end of month there were no contributions paid in relation to August 2020 operator receipts. This is the final year special purpose financial statements are required for the Perpetual Care Trusts. Under Section 67 of the new *Cemeteries and Crematoria Act 2020* there is a requirement to audit licensee receipts which are incorporated into Note 2 of the *Cemeteries and Crematoria Authority* financial statements. The comparatives are for the year ended 30 June 2020.

Perpetual Care Trusts (Trust) were established for the Gungahlin Cemetery, Hall Cemetery, Woden Cemetery and Woden Mausoleum in accordance with Section 9 of the former *Cemeteries and Crematoria Act 2003*. The Trusts were established for the long-term and short-term maintenance of the Cemeteries and Mausoleum. The Public Trustee and Guardian was the trustee of the Trusts.

The Authority was required to provide to each Trust a percentage of the revenue from each burial, interment of ashes or memorialisation at each cemetery and mausoleum (the Perpetual Care Trust percentage) in accordance with the Minister's determination. The Authority was also required to provide to each Trust a percentage of revenue as a reserve for future maintenance and related expenditure (the Perpetual Care Trust Reserve Percentage).

The percentages were required to be reviewed at least once every five years under the Section 13 of the Act. These percentages were last reviewed and changed from 1 July 2017. The amount in the reserve was set aside for the purpose of long term maintenance requirements of each Cemetery and Mausoleum and cannot be accessed without Ministerial approval.

PERPETUAL CARE TRUSTS
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JULY 2020 TO 22 AUGUST 2020

1. Summary of Significant Accounting Policies (Continued)
b) Perpetual Trust Arrangements (Continued)

In accordance with Section 11 of the Act, the Perpetual Care Trust percentages determined by the Minister are as follows:

| | Gungahlin Cemetery | | Hall Cemetery | | Woden Cemetery | | Woden Mausoleum | |
|--|--------------------|--------------|---------------|-----------|----------------|--------------|-----------------|-----------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Perpetual Care Trust Percentage | 44.9% | 44.9% | 11.3% | 11.3% | 33.8% | 33.8% | 7.8% | 7.8% |
| Perpetual Care Trust Reserve Percentage | 6.00% | 6.00% | 63.0% | 63.0% | 8.0% | 8.0% | 1.0% | 1.0% |
| Sale of Burial Revenue as per the Cemeteries Authority | 149 | 1,907 | - | 32 | 125 | 1,277 | 3 | 86 |
| Breakdown of funding received by Trust from the Authority | | | | | | | | |
| Perpetual Care Trust Contribution Income | 67 | 856 | - | 4 | 42 | 432 | - | 7 |
| Perpetual Care Trust Contribution Reserve Income | 9 | 115 | - | 20 | 10 | 102 | - | 1 |
| Total Funding Received | 76 | 971 | - | 24 | 52 | 534 | - | 8 |

The final contributions were made into the trusts in August 2020 and related to the July 2020 revenue. The current contributions are lower as they are for the period 1 July 2020 to 31 July 2020 compared to the prior year which is for 12 months.

PERPETUAL CARE TRUSTS

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JULY 2020 TO 22 AUGUST 2020

1. Summary of Significant Accounting Policies (Continued)

b) Perpetual Trust Arrangements (Continued)

The Authority was required to spend perpetual care funds of each Trust for the maintenance of each cemetery and mausoleum in accordance with the Act.

The Act did not prescribe how 'maintenance' was defined, and consequently did not prescribe how the Trust percentages were determined, except in general terms. The Trust percentages determined by the Minister were used as the basis for the provision of funds for the maintenance of the cemeteries or mausoleum, have been determined on a 'full-cost' basis – i.e. the expenditure incurred against the Trusts allowed for not only the 'direct' cemetery maintenance costs, but also the proportion of 'indirect' costs incurred by the Authority that are associated with the management of the Cemetery and Mausoleum contribution to the Trusts. If in any year, the maintenance costs exceeded the Trust contributions for each Cemetery, reimbursements to the Authority were capped to the Trust contribution amount for each Cemetery.

The amount of maintenance expenditure for each of the Trusts is as follows:

| | Gungahlin Cemetery | | Hall Cemetery | | Woden Cemetery | | Woden Mausoleum | |
|---|--------------------|------------|---------------|----------|----------------|------------|-----------------|----------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Direct Maintenance Costs ^a | 47 | 633 | - | 3 | 29 | 319 | - | 5 |
| Indirect Maintenance Costs ^b | 20 | 224 | - | 1 | 13 | 113 | - | 2 |
| Total Maintenance Costs ^c | 67 | 857 | - | 4 | 42 | 432 | - | 7 |

- Direct Maintenance Costs include overheads for maintenance which were paid by the Authority and allocated to each Trust.
- Indirect Maintenance costs were based on a portion of total indirect administrative costs which were paid by the Authority and allocated to each Trust.
- The Total Maintenance Costs were capped up to Perpetual Care Trust contribution income (based on a PCT percentage of burial revenue contributed by the Authority) therefore increases or decreases in the Authorities burial revenue impacts the total Trust Maintenance Costs.

Cemeteries and Crematoria Act 2020 came into effect on 23 August 2020. Therefore short term maintenance expenses are no longer payable. The final contributions were made in August 2020 for the month of July 2020.

PERPETUAL CARE TRUSTS

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JULY 2020 TO 22 AUGUST 2020

2. Cash and Cash Equivalents

Cash includes Cash at Bank, Cash on Hand and Demand Deposits. Trust money held in the Public Trustee and Guardian Fund are classified as Cash Equivalents.

Cash Equivalents are short-term, high liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Two fund accounts are held with the Public Trustee and Guardian for each Trust. These accounts are for the Perpetual Care Trust and the Perpetual Care Trust Reserve. The Perpetual Care Trust Reserve is cash reserves to be drawn on by the Authority for specific cemetery maintenance and related expenditure. The breakdown for the two accounts is as follows:

| | Gungahlin Cemetery | | Hall Cemetery | | Woden Cemetery | | Woden Mausoleum | |
|--|--------------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|
| | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 |
| Perpetual Care Trust | 94 | 94 | 6 | 6 | 61 | 59 | 275 | 275 |
| Perpetual Care Trust Reserve | 184 | 128 | 32 | 24 | 312 | 169 | 30 | 13 |
| Total Cash and Cash Equivalents | 278 | 222 | 38 | 30 | 373 | 228 | 305 | 288 |

The trusts will be consolidated into one trust under the *Cemeteries and Crematoria Act 2020* as arranged by the Regulator of the Act and approved by the Minister.

3. Investments

Short-term and long-term investments are held with the Public Trustee and Guardian in unit trusts called the Growth Investment Fund. The prices of units in the unit trusts fluctuate in value. The net gain or loss on investments consists of the fluctuation in price of the unit trusts between the end of the last reporting period and the end of current reporting period as well as any profit/loss on the sale of units in the unit trusts (the profit being the difference between the price at the end of the last reporting period and the sale price). The net gains or losses do not include interest or dividend income.

The investments are measured at fair value with any adjustments to the carrying amount recorded in the Operating Statements. Fair value is based on an underlying pool of investments which have quoted market prices at the reporting date.

The purpose of the investments in the Growth Investment Fund is to hold it for a period longer than 12 months. The total carrying amount of the Growth Investment Funds has been measured at fair value.

| | Gungahlin Cemetery | | Hall Cemetery | | Woden Cemetery | | Woden Mausoleum | |
|--------------------------------------|--------------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|
| | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 | 2021 \$'000 | 2020 \$'000 |
| Non-Current Investments | | | | | | | | |
| Growth Investment Fund | 1,888 | 1,860 | 372 | 366 | 6,259 | 6,169 | 841 | 829 |
| Total Non-Current Investments | 1,888 | 1,860 | 372 | 366 | 6,259 | 6,169 | 841 | 829 |

The investment funds will be consolidated into one trust under the *Cemeteries and Crematoria Act 2020* as arranged by the Regulator of the Act and approved by the Minister.

PERPETUAL CARE TRUSTS
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JULY 2020 TO 22 AUGUST 2020

4. Cash Flow Reconciliation

Reconciliation of the operating surplus to the net cash inflow from operating activities:

| | Gungahlin Cemetery | | Hall Cemetery | | Woden Cemetery | | Woden Mausoleum | |
|--|--------------------|------------|---------------|------------|----------------|------------|-----------------|----------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating Surplus | 74 | 109 | 13 | 19 | 227 | 80 | 29 | - |
| Add/(Less) Items Classified as Investing or Financing | | | | | | | | |
| Loss/(Gain) on Investments | (27) | 62 | (5) | 12 | (90) | 209 | (12) | 29 |
| Dividend (Income) | (40) | (59) | (8) | (12) | (134) | (194) | (18) | (27) |
| Cash Before Changes in Operating Assets and Liabilities | 7 | 112 | (1) | 19 | 3 | 95 | (1) | 2 |
| Decrease /(Increase) in Receivables | 9 | 11 | 1 | - | 8 | 11 | - | - |
| (Decrease) in Payables | - | - | - | (3) | - | - | - | - |
| Net Changes in Operating Assets and Liabilities | 9 | 11 | 1 | (3) | 8 | 11 | - | - |
| Net Cash Inflows/(Outflows) from Operating Activities | 16 | 123 | - | 16 | 11 | 106 | (1) | 2 |

Capital Works

Capital works during the year included Gungahlin Crematorium and improvements to items of plant and equipment. Improvements to plant and equipment were below budgeted expenditure due to delays in the delivery of a replacement backhoe and proposed works to the Stringybark Room.

Capital expenditure associated with the crematorium is shown against budget in the tables below.

Table 42: Crematorium property, plant and equipment capital expenditure (\$'000)

| Description | Actual | Budget | Variance |
|-----------------------|----------------|----------------|--------------|
| Building | 1,768.0 | | |
| Infrastructure Assets | 221.9 | | |
| Plant and Equipment | 683.8 | | |
| Total | 2,673.7 | 2,675.7 | (2.0) |

Table 43: Crematorium property, plant and equipment capital expenditure (\$'000)

| Description | Actual | Budget | Variance |
|-----------------------|-------------|--------------|----------------|
| Infrastructure Assets | 3.5 | 133.5 | (130.0) |
| Plant and Equipment | 42.0 | 123.1 | (81.1) |
| Total | 45.5 | 256.6 | (211.1) |

Asset Management

The Authority is a self-funding statutory authority managing all cemeteries related infrastructure to provide an efficient and reliable service to the community.

A full review was conducted in 2017-18 and is currently being revised.

The Authority's Strategic Asset Management Plan (SAMP) plans maintenance for all assets. The purpose of the SAMP is to provide a reference document for the financial and operational asset management of all asset groups owned and managed by the Authority. The SAMP includes asset data and financial information as at 30 June 2021.

The SAMP outlines current and expected levels of service for the delivery of maintenance services and capital works programs in detail. The expected levels of service are determined by a thorough analysis of service objectives, future demand, feedback from community consultations, ACT's population trends and the availability of resources.

The revised SAMP will report on a detailed lifecycle management of all critical asset groups and the budget required to maintain the Authority's assets at an operational level that meets relevant Australian national standards throughout their useful life.

Asset Portfolio

The Authority's portfolio comprises significant landscaping, cemetery and crematorium assets including administrative and operational buildings.

Cemeteries and crematoria under management

- > Gungahlin Cemetery, Mitchell
- > Woden Cemetery, Phillip
- > Woden Mausoleum, Phillip
- > Hall Cemetery, Hall
- > Gungahlin Crematorium, Mitchell

Major Assets Gungahlin

- > Burial Areas and associated landscaping
- > Crematorium
- > Office Complex
- > 'Stringybark Room' Memorial Hall Complex
- > Public Toilets
- > Works Depots
- > Sheds and Carports
- > Roads and Paving

- > Fences
- > Memorial Walls and Outdoor Chapel
- > Irrigation System for turf and landscaping including Dam and Bore Pumping Systems

Major assets Woden

- > Burial Areas and associated landscaping
- > Caretaker's Cottage
- > Waiting Rooms and Public Toilets
- > Works Depots
- > Sheds and Carports
- > Roads and Paving
- > Fences
- > Mausoleum
- > Landscaping and Irrigation

Major Assets Hall

- > Burial Areas, and associated landscaping and fencing

Government Contracting

The Authority is self-funded and manages its own procurement and contracting activities in-house with assistance from TCCS as required. It maintains a preferred supplier register and uses a number of small contractors for specialist services that in-house staff cannot provide. A full break down of expenditure is available in the financial statements.

The Authority has no supplier contracts listed on the ACT Government Contracts Register which records ACT Government Contracts with suppliers of goods, services and works with a value of \$25,000 or more. Accordingly the Authority has no information to report on the Aboriginal and Torres Strait Islander Procurement Policy (ATSIPP) three performance measures.

The Authority received no exemptions in 2020-21 from the secure local jobs code requirements under section 22G of the [Government Procurement Act 2001](#).

During 2020-21, the Authority spent a total of \$49,375 through the Creative Services Panel. This includes the development of a Strategic Communications and Marketing Plan to align with the re-branding of Canberra Memorial Parks.

Statement of Performance



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

INDEPENDENT LIMITED ASSURANCE REPORT

To the Members of the ACT Legislative Assembly

Conclusion

I have undertaken a limited assurance engagement on the statement of performance of the Cemeteries and Crematoria Authority (Authority) for the year ended 30 June 2021.

Based on the procedures performed and evidence obtained, nothing has come to my attention to indicate the results of the accountability indicators reported in the statement of performance for the year ended 30 June 2021 are not in agreement with the Authority's records or do not fairly reflect, in all material respects, the performance of the Authority, in accordance with the *Financial Management Act 1996*.

Basis for conclusion

I have conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. My responsibilities under the standard and legislation are described in the 'Auditor-General's responsibilities' section of this report.

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and the ACT Audit Office applies Australian Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*.

I believe that sufficient and appropriate evidence was obtained to provide a basis for my conclusion.

Authority's responsibilities for the statement of performance

The Governing Board of the Authority is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Auditor-General's responsibilities

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2019*, the Auditor-General is responsible for issuing a limited assurance report on the statement of performance of the Authority.

My objective is to provide limited assurance on whether anything has come to my attention that indicates the results of the accountability indicators reported in the statement of performance are not in agreement with the Authority's records or do not fairly reflect, in all material respects, the performance of the Authority, in accordance with the *Financial Management Act 1996*.

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In a limited assurance engagement, I perform procedures such as making inquiries with representatives of the Authority, performing analytical review procedures and examining selected evidence supporting the results of accountability indicators. The procedures used depend on my judgement, including the assessment of the risks of material misstatement of the results reported for the accountability indicators.

Limitations on the scope

The procedures performed in a limited assurance engagement are less in extent than those required in a reasonable assurance engagement and consequently the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, I do not express a reasonable assurance opinion on the statement of performance.

This limited assurance engagement does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations; or
- adequacy of controls implemented by the Authority.



Ajay Sharma
Assistant Auditor-General, Financial Audit
3 September 2021

**Cemeteries and Crematoria Authority
Statement of Performance
For the Year Ended 30 June 2021**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the records of the Cemeteries and Crematoria Authority (the Authority) and fairly reflects the service performance of the Authority for the year ended 30 June 2021 and also fairly reflects the judgements exercised in preparing it.

A handwritten signature in black ink, appearing to read 'Neale Guthrie', with a stylized flourish at the end.

Neale Guthrie
Chair of the Board
1 September 2021

Cemeteries and Crematoria Authority

Statement of Performance

For the Year Ended 30 June 2021

Key Performance Indicators

| Statement of Intent Accountability Indicators | 2020-21 Targets | Actual Result 2020-21 | % Variance from Original Target | Explanation of Material Variances ≥ 5% |
|--|--------------------|-----------------------------|---|---|
| a) Number of clients choosing to do business with the Authority, proportional to the estimated number of deaths annually in the ACT. | 35% | 35% | - | |
| b) Level of client and stakeholder satisfaction with the Authority. | 98% | 98% | - | |
| c) Level of matters raised by unsatisfied clients and stakeholders resolved by Authority operations. | 100% | 100% | - | |
| d) Average number of years of supply of interment spaces for major denominational groups | 4 | 4 | - | |

The above accountability indicators were reviewed by the ACT Audit Office in accordance with the *Financial Management Act 1996*.

Explanation of Accountability Indicators

- a) Estimated number of deaths in the year is determined by averaging the number of actual deaths for the previous five years. This is a reasonable method, given that there is a lag in the information sourced from the Australian Bureau of Statistics.

The number of clients choosing to do business with the Authority was 721. This is the actual numbers of burials and cremations for the year ending 30 June 2021. This represents 35 percent of the estimated number of deaths.

Cemeteries and Crematoria Authority Statement of Performance For the Year Ended 30 June 2021

- b) Client Satisfaction. The post burial survey is sent to families following each burial as part of a pack of other documents, on an opt-out basis. When completing an Application for Burial, the applicant is asked tick the box if they “do not wish to receive a post service survey”. Surveys are not sent to those who do not wish to take part. Surveys comprise five questions covering customer service, burial arrangements and cemetery presentation in a five-tier rating format. Only satisfactory and above are counted towards satisfaction result. An average score is calculated from the responses. Eighty-seven responses were received for the 2020-21 reporting period, the satisfaction score for the period was 96 percent.

Stakeholder Satisfaction. Is obtained by conducting a survey of funeral directors who regularly access services the Authority provides. The survey asks them to provide an overall assessment of the Authority’s performance as a percentage. An average score is calculated from the responses. This year four funeral directors provided a response with an average result of 100 percent.

Client satisfaction and stakeholder satisfaction are averaged, the result for the reporting period was 98 percent.

- c) Details are extracted from customer service database on matters raised by clients and other stakeholders which are used to manage and track the progress of action taken to remedy issues. This includes follow up with complainants where required. In 2020-21 all matters raised were resolved.
- d) Number of years of supply of interment space is calculated using inventory data and other information, such as survey plans on future allotments, compared to the expected number of burials per denomination. The Authority’s Board believes that the target number of years (4) provides adequate time for planning and installation of new areas as required. Falling below this target level increases the risk that there will be insufficient spaces in the future.

GLOSSARY

| Acronym/Abbreviation | Term |
|----------------------|--|
| ACTIA | ACT Insurance Authority |
| ACTPS | ACT Public Sector |
| ARins | Attraction and Retention Incentives |
| ASBA | Australian School-Based Apprenticeships |
| AVBC | Australasian Veterinary Boards Council |
| AWAs | Australian Workplace Agreements |
| BA | Building Applications |
| CDS | Container Deposit Scheme |
| CMTEDD | Chief Ministers, Treasury and Economic Development Directorate |
| DA | Development Applications |
| EBAs | Enterprise Bargaining Agreements |
| EPSDD | Environment, Planning and Sustainable Development Directorate |
| FOGO | Food organics and garden organics |
| GNSS | Global Navigation Satellite Systems |
| HRC | Human Rights Commission |
| HSR | Health and Safety Representatives |
| JACS | Justice and Community Safety Directorate |
| LANN | Land Access and Activity Notices |
| LTIFRs | Lost-time injury frequency rates |
| RAP | Reconciliation Action Plan |
| RED | Respect, Equity and Diversity Framework |
| SAMP | Strategic Asset Management Plan |
| SERBIR | Senior Executive Responsible for Business Integrity Risk |
| TCCS | Transport Canberra and City Services Directorate |
| WHO HEAT | World Health Organisation Health Economic Assessment Tool |
| WHS | Work Health and Safety |

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